

File No.: 0818. ACB. PT

Serial No.: _____ Atty: FWC

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- ☒ Application: ☒ Patent ☐ Provisional
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- ☒ Declaration Claiming Small Entity Status
- ☒ Declaration & Power of Attorney
- ☐ Demand for PCT Examination
- ☒ Drawings 23 sheets
 - ☒ Informal ☐ Formal
- ☒ Express Mail No.: EL593619818US
- ☐ Extension of Time Petition: _____ month
- ☐ Fee Transmittal Sheet
- ☐ IDS, PTO 1449 & References
- ☐ Issue Fee Transmittal & Advance Order
- ☐ Maintenance Fee Transmittal: _____ year
- ☐ Missing Parts Response
- ☐ Notification of Change of Attorney Address & File Number
- ☐ Request for PCT
- ☐ Revocation and Power of Attorney
- ☐ Status Inquiry
- ☒ Transmittal Letter

jc806 U.S. PTO
09/661731



PATENT OFFICE

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- ☐ Request for PCT
- ☐ Revocation and Power of Attorney
- ☐ Status Inquiry
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Assistant Commissioner for Patents



MP

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UTILITY PATENT APPLICATION TRANSMITTAL <small>(Only for new nonprovisional applications under 37 C.F.R. § 1.53(b))</small>	Attorney Docket No.		0818.ACB.PT
	First Inventor or Application Identifier		Daniel M. Jensen
	Title	APPARATUS FOR FORMING LIGHTWEIGHT CONCRETE BLOCK	
	Express Mail Label No.		EL593619818US

APPLICATION ELEMENTS and ACCOMPANYING APPLICATION PARTS

Enclosed for filing, please find the following items:

1. ☒ Specification [Total Pages 85]
2. ☒ Drawing(s) [Total Sheets 23]
☒ Informal ☐ Formal
3. ☒ Oath/Declaration, Power of Attorney, and Petition
 - a. ☒ Newly executed (original or copy)
 - b. ☐ Copy from a prior application (37 C.F.R. § 1.63(d)) *(for continuation/divisional with Box 14 completed)*
 - i. ☐ Deletion of Inventor(s): Signed statement attached deleting inventor(s) named in the prior application, see 37 C.F.R. §§ 1.63(d)(2) and 1.33(b).
4. ☒ Small Entity Statement
 - a. ☒ Newly executed (original or copy)
 - i. ☐ For an independent inventor
 - ii. ☒ For a small business concern
 - iii. ☐ For a non-profit organization
 - b. ☐ Copy from a prior application *(for continuation/divisional with Box 14 completed)*
5. ☒ Assignment with cover sheet
6. ☐ Information Disclosure Statement (IDS)
 - a. ☐ PTO-1449
 - b. ☐ Copies of IDS citations
7. ☒ Return Receipt Postcard
8. ☒ Fees as calculated below: ☒ Check in the amount of \$474.00

Address To: Assistant Commissioner for Patents
Box Patent Application
Washington, D.C. 20231

☐ This application is filed Missing Parts

			SMALL ENTITY		NON- SMALL ENTITY	
FOR	NO. FILED	NO. EXTRA	RATE	FEE	RATE	FEE
BASIC FEE				\$380		\$760
TOT. CLAIMS	25-20 =	5	5x 9 =	\$ 45	x 18 =	\$
IND. CLAIMS	2-03 =	0	x 39 =	\$ 0	x 78 =	\$
MULTIPLE DEPENDENT CLAIMS PRESENTED			\$130		\$260	
ASSIGNMENT FILING FEE			\$40	\$ 40	\$40	
			TOTAL	\$465	TOTAL	

UTILITY PATENT APPLICATION TRANSMITTAL <small>(Only for new nonprovisional applications under 37 C.F.R. § 1.53(b))</small>	Attorney Docket No.		0818.ACB.PT
	First Inventor or Application Identifier		Daniel M. Jensen
	Title	APPARATUS FOR FORMING LIGHTWEIGHT CONCRETE BLOCK	
	Express Mail Label No.		EL593619818US

9. ☒ Preliminary Amendment
10. ☐ English Translation Document (if applicable)
11. ☐ Certified Copy of Priority Document(s)
12. ☐ Microfiche Computer Program (Appendix)
13. ☐ Nucleotide and/or Amino Acid Sequence Submission (if applicable, all necessary)
- a. ☐ Computer Readable Copy
- b. ☐ Paper Copy (identical to computer copy)
- c. ☐ Statement verifying identify of above copies

14. **If a CONTINUING APPLICATION**, check appropriate box, and supply the requisite information below and in a preliminary amendment:

☒ Continuation ☐ Divisional ☐ Continuation-in-part (CIP)

Prior application information:

Serial No.: 09/396,594

Filing Date: 09/15/99

Examiner: _____

Group/Art Unit: 3635

For CONTINUATION or DIVISIONAL APPS only: The entire disclosure of the prior application, from which an oath or declaration is supplied under Box 4b, is considered a part of the disclosure of the accompanying continuation or divisional application and is hereby incorporated by reference. The incorporation can only be relied upon when a portion has been inadvertently omitted from the submitted application parts.

15. Other items enclosed:

16. List of inventors/applicants:

Inventor Daniel M. Jensen Citizenship USA

Address 552 South Gladiola St., Bldg. B, Salt Lake City, UT 84104

17. **CORRESPONDENCE ADDRESS**

Name Frank W. Compagni Registration No. 40,567

Address 5882 South 900 East, Suite 300

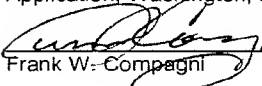
City Salt Lake City State Utah Zip 84121 Country USA

Telephone 801 685-2302 Facsimile 801 685-2303

Signature  Date 14 September 2000

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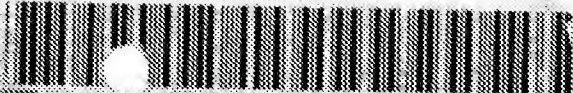
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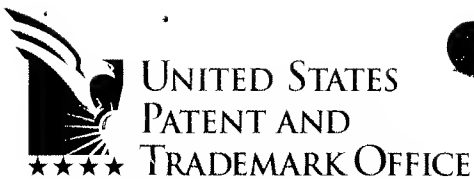
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SUITE 1100
SALT LAKE CITY, UT 84111



102098645A

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RECORDATION DATE: 05/17/2002

REEL/FRAME: 012907/0078
NUMBER OF PAGES: 50

BRIEF: ASSETT PURCHASE AGREEMENT

ASSIGNOR:
AIR CRETE BLOCK, INC.

DOC DATE: 09/30/2001

ASSIGNEE:
ADVANCED BUILDING SYSTEMS, INC.
444 EAST 12300 SOUTH
SUITE 134
DRAPER, UTAH 84020

SERIAL NUMBER: 09661731
PATENT NUMBER:

FILING DATE: 09/14/2000
ISSUE DATE:

ANTIONE ROYALL, EXAMINER
ASSIGNMENT DIVISION
OFFICE OF PUBLIC RECORDS

5/17/02

cket No.: 14904/8 US

FORM PTO-1595 (Modified)
(Rev. 03-01)
OMB No. 0651-0027 (exp. 5/31/2002)
P08/REV03

05-22-2002

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office



Tab settings

102098645

To the Honorable Commissioner of Patent, attached original documents or copy thereof.

1. Name of conveying party(ies):

AIR CRETE BLOCK, INC.

Additional names(s) of conveying party(ies) ☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☐ Security Agreement ☐ Change of Name
☒ Other Asset Purchase Agreement

Execution Date: September 30, 2001

2. Name and address of receiving party(ies):

Name: ADVANCED BUILDING SYSTEMS, INC.

Internal Address: _____

Street Address: 444 East 12300 South

Suite 134

City: Draper State: UT ZIP: 84020

Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application number(s) or patent numbers(s):

If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No.(s)

09/661,731

B. Patent No.(s)

Additional numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Kevin B. Laurence

Internal Address: STOEL RIVES LLP

05/21/2002 LMUELLER 00000161 09661731

01 FC:581 40.00 OP

Street Address: 201 So. Main Street

Suite 1100

City: Salt Lake City State: UT ZIP: 84111

6. Total number of applications and patents involved:

1

7. Total fee (37 CFR 3.41):.....\$ 40.00

- ☒ Enclosed - Any excess or insufficiency should be credited or debited to deposit account
☐ Authorized to be charged to deposit account

8. Deposit account number:

194455

(Attach duplicate copy of this page if paying by deposit account)

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Kevin B. Laurence

Name of Person Signing

Kevin B. Laurence

Signature

May 17, 2002

Date

Total number of pages including cover sheet, attachments, and document:

50

ASSET PURCHASE AGREEMENT

among

AIR CRETE BLOCK, INC.

and

DAN JENSEN

and

ADVANCED BUILDING SYSTEMS, INC.

9/02/01

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EXHIBIT B	--	Form of Contracts Assignment and Assumption Agreement

AGREEMENT

This Agreement is entered into this ____ day of September, 2001 by and among Air Crete Block, Inc. ("Seller"), a Utah corporation, Dan Jensen and Walter Browning, the principals of Seller ("Jensen"), and Advanced Building Systems, Inc., a Nevada corporation ("Buyer").

Preliminary Statements:

The Seller is engaged in the business of manufacturing and marketing a formulated process of aerated, light weight concrete and concrete block ("Air Crete Building Materials") and related activities (the "Business");

The Seller desires to sell or otherwise transfer certain of its assets ("Transferred Assets") and the Business to Buyer, and the Buyer desires to purchase the Transferred Assets and the Business from the Seller.

The Buyer is a recently formed company which has not commenced active operations. The Seller has conducted limited operations. The Buyer and the Seller acknowledge that it is the business plan of the Buyer to (i) acquire the Transferred Assets from the Seller, (ii) attempt to raise sufficient capital to commence and conduct active business operations, (iii) to have a market commence for its common stock. The Seller acknowledges that there can be no assurance that the Buyer's business plan will be effected or successful.

In consideration of these preliminary statements and the mutual covenants, representations, warranties and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

ARTICLE I DEFINITIONS

The following terms shall have the meanings ascribed to them for all purposes of this Agreement.

"Affiliate" shall have the meaning set forth in Rule 12b-2 of the regulations promulgated under the Securities Exchange Act of 1934, as amended.

"Agreement" shall mean this Asset Purchase Agreement.

"Business" shall have the meaning set forth in the Preliminary Statements hereto.

"Buyer" shall mean Advanced Building Systems, Inc., a Nevada corporation.

"Buyer's Indemnitees" shall mean the Seller and its respective officers, directors and employees, and all of such Persons' successors and assigns.

"Closing" shall have the meaning set forth in Section 3.1.

"Closing Date" shall have the meaning set forth in Section 3.1.

"Code" shall mean Internal Revenue Code of 1986, as amended.

"Contracts" shall have the meaning set forth in Section 2.1.

"Damages" shall mean any claim, liability, obligation, loss, damage, assessment, judgment, cost or expense of any kind or character, whether consequential or otherwise, including reasonable attorneys' fees arising out of or in any manner incident, relating or attributable to the items set forth in Section 9.2. and Section 9.4.

"Environmental, Health, and Safety Requirements" shall mean all federal, state, local and foreign statutes, regulations, ordinances and similar provisions having the force or effect of law, all judicial and administrative orders and determinations, and all common law concerning public health and safety, worker health and safety, and pollution or protection of the environment, including without limitation all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control, or cleanup of any hazardous materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, noise or radiation.

"Excluded Assets" shall have the meaning set forth in Section 2.1(b).

"Financial Statements" shall mean the unaudited financial statements of Seller and as of December 31, 2000 internally prepared.

"GAAP" shall mean generally accepted accounting principles.

"Intellectual Property" shall mean all domestic and foreign letters patent, patents, patent applications, patent licenses, software licenses and know-how licenses, trade names, trademarks, copyrights, unpatented inventions, service marks (registered or not), trademark registrations and applications, service mark registrations and applications and copyright registrations and applications, trade secrets or other confidential proprietary information owned or used by the Seller in the operation of the Business.

"Knowledge" means actual knowledge after reasonable investigation.

"Liability" shall mean any liability (whether known or unknown, whether asserted or

unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including any liability for Taxes.

"Licensed Systems" shall mean all products and systems developed by or for the Seller which are licensed, sold, distributed, or otherwise transferred by the Seller to third parties.

"Liens" shall mean all claims, charges, liens, contracts, rights, options, securities interests, mortgages, encumbrances and restrictions whatsoever.

"Material" shall mean having an impact or effect in the amount of at least \$15,000.

"Order" shall have the meaning set forth in Section 4.19.

"Ordinary Course of Business" shall mean the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

"Party" shall mean either (i) the Buyer, or (ii) the Seller.

"Person" shall mean and include an individual, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or other department or agency thereof.

"Proceeding" shall have the meaning set forth in Section 4.19.

"Related Person" shall have the meaning set forth in Section 4.16.

"Seller's Indemnitees" shall mean the Buyer and the respective officers, directors and employees of the Buyer, and their successors and assigns.

"Tax" shall mean any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code §59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

"Tax Return" shall mean any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Transaction" shall mean the sale and purchase of the Transferred Assets provided for and agreed to herein and all other matters and agreements provided for herein.

"Transferred Assets" shall mean all right, title, and interest in and to all of the assets listed on Exhibit "A" attached hereto and by this reference made a part hereof.

ARTICLE II PURCHASE AND SALE OF ASSETS

2.1 Transfer of Assets.

(a) Upon the terms and subject to the conditions set forth in this Agreement, at the Closing Time, the Seller shall transfer to the Buyer, free and clear of all Liens, all of the Transferred Assets as set forth on Exhibit "A" attached hereto, which include, but are not limited to, properties and rights owned by the Seller or in which the Seller has any right or interest in the name "Air Crete", or any derivatives thereof (other than the Excluded Assets), including business agreements, property, accounts receivable, the contracts listed on Schedule 2.1(a) (the "Contracts"), goodwill, patents, patents pending, supplier lists, trademarks, copy rights, customer lists, assignable licenses and permits, processes, service marks, know-how, show-how, formulations, trade secrets, assignable software (including, to the extent owned and transferable, documentation and related source and object codes), assignable licenses thereto, computers and computer equipment, files and other records, systems and processes, security deposits, contracts, arrangements and understandings, oral and written, formal and informal, for work to be performed and/or services to be provided, real estate and interests therein, leasehold and other improvements, machines, machinery, equipment, furniture, fixtures, supplies, all rights and claims under insurance policies and other contracts of whatever nature all of the right, title and interest of the Seller in the name "Air Crete", or any derivatives thereof.

(b) Notwithstanding any provision of this Agreement to the contrary, there shall be excluded from the Transferred Assets and retained by the Seller the assets listed on Schedule 2.1(b) (the "Excluded Assets").

(c) The Seller shall transfer to the Buyer (i) the Transferred Assets (other than the Contracts and Leases) pursuant to a Bill of Sale in substantially the form of Exhibit A; and (ii) the Contracts pursuant to a Contracts Assignment and Assumption Agreement in substantially the form of Exhibit B, and such other documents and instruments as the Buyer or its counsel may reasonably request.

(d) Notwithstanding any provision of this Agreement to the contrary, the Buyer shall assume no liability whatsoever for any taxes due from the Seller or any of its Affiliates.

(e) At any time and from time to time after the Closing Date, at the request of the Buyer and without further consideration, the Seller shall execute and deliver such other instruments of sale, transfer, conveyance, assignment and confirmation as may be reasonably requested in order to more effectively transfer, convey and assign to the Buyer and to confirm the Buyer's title to the Transferred Assets.

2.2 Consideration for the Transferred Assets. In consideration for the transfer of the Transferred Assets, upon the terms and subject to the conditions set forth in this Agreement, the Buyer shall issue Seller 2,200,000 shares of Buyer's \$.001 par value common stock ("ABS Shares"). Buyer shall deliver to Seller certificates for the ABS Shares in exchange for the assignment, transfer and conveyance of the Transferred Assets pursuant to the terms of this Agreement. All stock certificates for ABS Shares issued to Seller at Closing shall contain a legend substantially in the following form:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, (THE "ACT") OR ANY STATE SECURITIES ACT AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (A) COVERED BY AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES ACTS; (B) THE ISSUER HAS BEEN FURNISHED WITH AN OPINION OF COUNSEL ACCEPTABLE TO IT TO THE EFFECT THAT NO REGISTRATION IS LEGALLY REQUIRED FOR SUCH TRANSFER; OR (C) THESE SECURITIES ARE SOLD IN COMPLIANCE WITH RULE 144 PROMULGATED UNDER THE ACT.

The Parties acknowledge that it is the plan and intention of Seller to, subsequent to the Closing Date, liquidate and distribute its assets to its shareholders. As part of such liquidation and distribution of assets, Seller intends to distribute the ABS Shares to its shareholders on a prorata basis. Any such distribution of shares will be effected in accordance with federal and state securities laws.

2.3 No Assumption of Liabilities. Buyer shall not be obligated to pay or assume any liability of Seller or its Affiliates including, but not limited to, any account payable, loan, agreement or claim for damages resulting from personal injury or any other matter occurring prior to the Closing. Without limiting the generality of the foregoing, Buyer shall not assume or become liable to pay, perform or discharge:

(a) Any and all liabilities and obligations of Seller, whether or not reflected on the books and records of Seller on the Closing Date, under any contract, lease, debt, note, negotiable instrument or other written commitment;

(b) Any and all liabilities or obligations of Seller for personal injury (including sickness, trauma, disease, pain and suffering, loss of future earnings, death, punitive damages and the like), property damage, and other damage and injury claims arising out of Seller's (or any predecessor's) conduct of business prior to the Closing, whether or not any claim or litigation has been instituted with respect thereto and whether or not any claim is covered, partially or fully, by insurance.

(c) Any mortgage, security interest, lien or encumbrance of any kind affecting the Transferred Assets;

(d) Any obligations or liability arising from the relationship between Seller and any of its employees, shareholders or agents;

(e) Any obligations or liability of Seller for any federal, state, local or foreign taxes, whenever incurred or accrued, or any interest or penalties with respect thereto;

(f) Any obligation or liability of Seller under any benefit plan, including without limitation, any profit sharing plan or any pension plan;

(g) Any obligation or liability by or on behalf of Seller for any finder's, broker's or advisor's fee and expenses or the like incurred in connection with the transactions contemplated by this Agreement;

(h) Any obligation or liability of Seller arising under this Agreement or the transactions contemplated hereby;

(i) Any obligations or liability arising as a result of the failure or alleged failure of Seller to comply with any applicable local, state or federal law, ordinance, regulation, order or decree including, without limitation, any claim, obligation, liability, loss, damage or expense, of whatever kind or nature, contingent or otherwise, incurred or imposed or based upon any provision of federal, state or local law or regulations or common law, pertaining to health, safety or environmental protection and arising out of any act or omission of Seller, its employees, agents or representatives, or arising out of Seller's ownership, use, control or operation of any facility, site, area or property from which any substance was released into the environment (the term "release" meaning any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment, and the term "environment" meaning any surface or ground water, drinking water supply, land, surface or subsurface strata, or the ambient air); and

(j) Any legal proceedings (and any debts, obligations and liabilities with respect thereto) now pending or hereafter instituted against Seller and any legal proceedings (and any debts, obligations and liabilities with respect thereto) instituted prior to or after the date of this Agreement arising out of the Business prior to the Closing.

2.4 Allocation of Purchase Price. The consideration paid by the Buyer pursuant to Section 2.2 shall be allocated among the Transferred Assets purchased hereunder as set forth on Schedule 2.4 attached hereto. The Seller and the Buyer each hereby covenant and agree that neither of them will take a filing position on any income tax return that is inconsistent with the allocation set forth on Schedule 2.4. Each party shall duly and timely file Form 8594 with its appropriate tax returns.

ARTICLE III CLOSING

3.1 Closing. The closing of the Transaction (the "Closing") shall take place at the offices of Buyer's counsel at 525 East 100 South, Fifth Floor, Salt Lake City, UT, at such time as the parties may agree upon on the third business day following the satisfaction or waiver of all conditions to the obligations of the Parties to consummate the transactions contemplated hereby (other than conditions with respect to actions the respective Parties will take at the Closing itself) or such other date as the Parties may mutually determine (the "Closing Date").

At the Closing, and unless waived by Buyer, Seller will deliver to Buyer:

(a) a general Bill of Sale and Assignment of Contracts duly executed by Seller in the form of Exhibit "A" and Exhibit "B" attached hereto;

(b) all contracts, files and other data and documents pertaining to the Transferred Assets (these items may be delivered, at the option of Buyer, subsequent to Closing);

(c) copies of resolutions duly adopted by the Board of Directors of Seller and shareholders of Seller authorizing and approving Seller's performance of the Transaction and the execution and delivery of this Agreement and the documents described herein, certified as true and of full force and effect as of the Closing by appropriate officers of Seller.

(d) Certificates of existence and good standing of Seller from the State of Utah, dated the most recent practical date prior to Closing.

At any time and from time to time after the Closing, at Buyer's request and without further consideration, the Seller will execute and deliver such other instruments of sale, transfer, conveyance, assignment and confirmation and take such action as may be necessary in order to transfer, convey and assign to Buyer, all of the Transferred Assets, to put Buyer in actual possession and operating control thereof.

3.1.2. At the Closing, and unless otherwise waived in writing by Seller, Buyer shall deliver to Seller the following:

(a) Certificates for the ABS Shares;

(b) Copies of resolutions duly adopted by the Board of Directors of Buyer authorizing and approving its performance of the Transaction and the execution and delivery of this Agreement and the documents described herein, certified as true and of full force as of Closing by the appropriate officer of Buyer;

(c) Certificates of existence and good standing of Buyer from the State of Nevada, dated the most recent practical date prior to Closing.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF THE SELLER

As an inducement to the Buyer to enter into this Agreement and to consummate the transactions contemplated hereby, the Seller, represent and warrant to the Buyer, except as otherwise disclosed in this Agreement or in the case of any representation qualified by its terms to a particular schedule (a "Schedule") attached hereto, such specific Schedule, that the statements made in this Article III will be correct and complete at the date hereof and the Closing Date, provided, however, if there is no execution of this Agreement then no party shall be liable for any inaccuracy.

4.1 Organization and Qualification. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Utah and has all requisite licenses, qualifications, corporate power and authority to own, lease and operate its assets and to carry on the Business in the State of Utah as now being conducted, except where the failure to be so existing and in good standing or to have such qualifications, licenses, power and authority would not in the aggregate have a material adverse effect on the Business, operations or financial condition of such Seller taken as a whole.

4.2 Corporate Power and Authority. The Seller has the full corporate power and authority to execute and deliver this Agreement and to consummate the Transaction. The execution and delivery of this Agreement and the consummation of the Transaction have been duly and validly authorized by the Board of Directors and the shareholders of Seller and have been or will be duly authorized under applicable state corporate law and under the Articles of Incorporation and Bylaws of Seller. No other corporate proceeding on the part of Seller is necessary to authorize this Agreement or to consummate the Transaction by Seller. Subject to the laws of bankruptcy, insolvency, general creditor's rights, and equitable principles, this Agreement has been duly and validly executed and delivered by Seller and constitutes a valid and binding agreement of Seller, enforceable against it in accordance with its terms.

4.3 Validity, Etc. Neither the execution and delivery by the Seller of this Agreement, the consummation by the Seller of the Transaction contemplated hereby or thereby, nor the performance by the Seller of this Agreement and such other agreements in compliance with the terms and conditions hereof and thereof by the Seller will (i) violate, conflict with or result in a breach of any trust agreement, articles of incorporation, bylaw, judgment, decree, order, statute or regulation applicable to the Seller; (ii) violate, conflict with or result in a breach, default or termination (or give rise to any right of termination, cancellation or acceleration) under any law, rule, regulation or any judgment, decree, order, governmental permit, license or order or any of the terms, conditions or provisions of any mortgage, indenture, note, license, agreement or other instrument or obligation to which the Seller is a party; (iii) violate any order, writ, injunction, decree, statute, rule or regulation applicable to the Seller or (iv) result in the creation of any claim upon the Transferred Assets.

4.4 Financial Statements. The Financial Statements and the Interim Financial Statements (a) have been (or will be) prepared in accordance with GAAP consistently applied and were prepared

from the books and records of the Seller and (b) fairly present (or will present) the financial position of the Seller as of the dates thereof and the results of its operations, and in the case of the Audited Financial Statements, the cash flows for the periods ended on the dates thereof. The financial books and records of the Seller are complete and correct in all material respects, only reflect actual transactions of the Seller, and have been made available to the Buyer for examination. Except as set forth on Schedule 4.4, since December 31, 2000 (i) there has been no change in the assets, liabilities or financial condition of the assets of the Seller except for changes in the ordinary course of business consistent with past practice and which have not been materially adverse, and (ii) none of the business, prospects, financial condition, operations, property or affairs of the Seller has been materially adversely affected by any occurrence or development, individually or in the aggregate, whether or not insured against.

4.5 Absence of Undisclosed Liabilities.

(a) Except as set forth on Schedule 4.5, the Seller has no material liabilities or obligations of any nature whatsoever due or to become due, accrued, absolute, contingent or otherwise that are required to be reflected in an audited balance sheet or in the footnotes thereto in accordance with GAAP consistently applied, except for liabilities and obligations incurred since the date thereof in the ordinary course of business and consistent with past practice. The Seller has no Knowledge of, and have no reason to have Knowledge of, any basis for the assertion against the Seller of any liability or obligation not fully reflected or reserved against in the Financial Statement Balance Sheet other than obligations arising under or by virtue of the Contracts.

(b) The Seller is not bound by any agreement, or subject to any charter or other corporate restriction or any legal requirement, which has a material adverse effect on the business or prospects of the Seller.

4.6 Employment and Labor Matters. The Seller is not a party to or bound by any collective bargaining agreement with any labor organization, group or association covering any of its employees. There are no pending or, to the Knowledge of the Seller, threatened charges (by employees, their representatives or governmental authorities) of unfair labor practices or of employment discrimination or of any other wrongful action with respect to any aspect of employment of any person employed or formerly employed by the Seller. To the Knowledge of the Seller and Jensen, the Seller has complied with all material laws and regulations relating to the employment of labor, including any provisions thereof relating to wages, hours, employment practices, terms and conditions of employment, collective bargaining, equal opportunity or similar laws and the payment of social security and similar taxes, and is not liable for any material arrears of wages or any material taxes or penalties for failure to comply with any of the foregoing.

4.7 Real Property. The Seller neither owns nor leases any real property.

4.8 Powers of Attorney; Absence of Limitations on Competition; Guarantees. Except as set forth on Schedule 4.8, (i) no power of attorney or similar authorization given by the Seller

presently is in effect or outstanding; (ii) no contract or agreement to which the Seller is a party or is bound or to which the Seller's properties or assets are subject limits the freedom of the Seller to compete in any line of business or with any Person; and (iii) the Seller is not a party to or bound by any guarantee of any debt or obligation of any other Person.

4.9 Governmental Approvals. No registration or filing with, or consent or approval of or other action by, any Federal, state or other governmental agency or instrumentality is or will be necessary for the valid execution, delivery and performance by the Seller of this Agreement.

4.10 Absence of Adverse Change; Conduct of Business. During the period from December 31, 2000 to and including the Closing Date, except as set forth on Schedule 4.10, the Seller has not, and will not have (i) suffered any adverse change in its condition (financial or otherwise, including any significant loss of employees), assets, liabilities (whether absolute, accrued, contingent or otherwise), operations, business, prospects, customer relationships or relationships with the members of its referral or broker network, (ii) borrowed or agreed to borrow any material amount of funds or incurred any material liability or obligation of any nature (whether accrued, absolute, contingent or otherwise), or guaranteed or agreed to guarantee any obligations of others, (iii) canceled any material indebtedness owing to it or any claims that it might have possessed, waived any material rights of substantial value or sold, leased, encumbered, transferred or otherwise disposed of, or agreed to sell, lease, encumber, or otherwise disposed of its assets or permitted any of its assets to be subjected to any mortgage, pledge, lien, security interest, encumbrance, restriction or charge of any kind, (iv) made any material capital expenditure or commitment therefor, (v) increased its indebtedness for borrowed money or made any loan to any Person, (vi) written off as uncollectible any material notes or Accounts Receivable, except write-offs in the ordinary course of business, (vii) made any material change in any method of accounting or auditing practice, (viii) otherwise conducted its business or entered into any transaction, except in the usual and ordinary manner, or (ix) agreed, whether or not in writing, to do any of the foregoing.

4.11 Certain Practices. None of the Seller, the Seller's directors or officers, or to the Knowledge of the Seller, the Seller's employees have, directly or indirectly, used any corporate funds for unlawful contributions, gifts, entertainment, or other unlawful expenses relating to political activity, made any unlawful payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns from corporate funds; violated any provision of the Foreign Corrupt Practices Act of 1977, as amended; established or maintained any unlawful or unrecorded fund of corporate monies or other assets; made any false or fictitious entry on the books or records of the Seller; made any bribe, rebate, payoff, influence payment, kickback, or other unlawful payment; given any favor or gift which is not deductible for federal income tax purposes; or made any bribe, kickback, or other payment of a similar or comparable nature, whether lawful or not, to any Person or entity, private or public, regardless of form, whether in money, business or to obtain special concessions, or to pay for favorable treatment for business secured or for special concessions already obtained.

4.12 Compliance with Law, Licenses and Permits The Seller has complied in all material respects with all laws, ordinances, legal requirements, rules, regulations and orders applicable to it, its operations, properties, assets, products and services, except when the failure to comply would not have a material adverse effect on the business, financial condition, operations, results of operations, prospects or the Buyer's operation of the Business. The Seller is not aware of any existing or proposed law, rule, regulation or order, whether Federal, state or local, which would prohibit or materially restrict the Buyer from, or otherwise materially adversely affect the Buyer in, conducting the Business in the manner heretofore conducted by the Seller in any jurisdiction in which the Business is now conducted. The Seller possesses all franchises, permits, licenses, certificates, and consents required from any governmental or regulatory authority in order for the Seller to carry on its business as currently conducted and to own and operate its properties and assets as now owned and operated and all of such licenses and permits are set forth on Schedule 4.12.

4.13 Insurance The Seller has no insurance.

4.14 Outstanding Contracts Schedule 2.1 sets forth a complete and correct list of all contracts to which the Seller is a party or by which any of its properties or assets are bound. To the Knowledge of the Seller, and subject to the laws of bankruptcy, insolvency, general creditor's rights and equitable principles, all the Leases and Contracts are valid and enforceable in all material respects. Except as set forth on Schedule 2.1, to the Knowledge of the Seller and Jensen, the Seller is not in default under the terms of any outstanding Contract, license, or other commitment which is material to the business, operations, assets, or condition of the Seller, and no event has occurred or circumstances exist which, with notice or lapse of time or both, would constitute a default under any such Contract, license, or other commitment other than any defaults which could not reasonably be expected to have a material adverse effect on the business, assets, operations or financial condition of Seller taken as a whole.

All the Contracts are and, upon assignment to the Buyer and receipt of any necessary consents with respect thereto, will be, valid, binding and enforceable by the Buyer in accordance with their respective terms and in full force and effect. All of the Contracts and Leases are assignable to the Buyer.

4.15 Intellectual Properties Schedule 4.15 contains an accurate and complete list of all Intellectual Property. Except as set forth on Schedule 4.15 and except for software licensed for use on computers, the Seller owns the entire right, title and interest in and to the Intellectual Property, trade secrets and technology used in the operation of the Business and each item constituting part of the Intellectual Property and trade secrets and technology which is owned by the Seller has been, to the extent indicated on Schedule 4.15, duly registered with, filed in or issued by, as the case may be, the United States Patent and Trademark office or such other government entities, domestic or foreign, as are indicated on Schedule 4.15 and such registrations, filings and issuances remain in full force and effect. There have been and are no pending or, to the Knowledge of the Seller, threatened proceedings or litigation or other adverse claims affecting or with respect to the Intellectual Property. There is, to the Knowledge of the Seller and Jensen, no reasonable basis upon which a claim may be

asserted against the Seller for infringement of any Intellectual Property. To the Knowledge of the Seller, no Person is infringing the Intellectual Property.

4.16 Proprietary Information of Third Parties. Except as disclosed on Schedule 4.16, no third party has claimed or, to the Knowledge of the Seller and Jensen, has reason to claim that any Person employed by or consulting with the Seller ("Related Person") has (i) violated or may be violating any of the terms or conditions of such person's employment, non-competition or non-disclosure agreement with such third party, (ii) disclosed or may be disclosing or utilized or may be utilizing any trade secret or proprietary information or documentation of such third party, or (iii) interfered or may be interfering in the employment relationship between such third party and any of its present or former employees. No third party has requested information from the Seller which suggests that such a claim might be contemplated. Except as disclosed on Schedule 4.16, to the Knowledge of the Seller and Jensen, no Related Person has employed or proposes to employ any trade secret or any information or documentation proprietary to any former employer and no Related Person has violated any confidential relationship that such person may have had with any third party, in connection with the development or sale of any service of the Seller, and the Seller has no reason to believe there will be any such employment or violation.

4.17 Transactions With Affiliates. Except as set forth on Schedule 4.17, no director, officer or shareholder of the Seller, or member of the family of any such person, or any corporation, partnership, trust or other entity in which any such person, or any member of the family of any such person, has a beneficial interest greater than 5% or is an officer, director, trustee, partner or holder of any equity interest greater than 5%, is a party to any transaction with the Seller, including any contract, agreement or other arrangement providing for the employment of, furnishing of services by, rental of real or personal property from or otherwise requiring payments or involving other obligations to any such person or firm.

4.18 Taxes. Except as set forth on Schedule 4.18, all federal, state, local and foreign tax returns, tax reports and all required forms and extensions required to be filed by the Seller on or before the date hereof have been timely filed with the appropriate governmental agencies in all jurisdictions in which such returns and reports are required to be filed and all amounts shown as owing thereon have been paid. All taxes (including income, accumulated earnings, property, sales, use, franchise, excise, license, value added, fuel, employees' income withholding and social security taxes) which have become due or payable or are required to be collected by the Seller or are otherwise attributable to any periods ending on or before the Closing Date (other than income taxes taxable at the shareholder level) and all interest and penalties thereon, whether disputed or not, have been paid or will be paid in full or adequately reflected on the Balance Sheet or the Seller's books and records in accordance with GAAP on or prior to the Closing Date. All deposits required by law to be made by the Seller with respect to employees' withholding taxes have been duly made, and as of the Closing Date all such deposits due will have been made. The Seller has delivered to the Buyer true and complete copies of all of the Seller's federal and state income tax returns for the fiscal period from its inception through June 30, 2001 and all reports and results of income tax audits, if any, related thereto, and will deliver to the Buyer true and complete copies of all of the Seller's federal

and state income tax returns filed through the Closing Date. No examination of any tax return of the Seller is currently in progress. There are no outstanding agreements or waivers extending the statutory period of limitations applicable to any such tax return.

4.19 Litigation. Except as set forth on Schedule 4.19, there is no (i) action, suit, claim, proceeding, or investigation ("Proceeding") pending or, to the Knowledge of the Seller and Jensen, threatened against or affecting the Seller (whether or not the Seller is a party or prospective party thereto), or any property or asset of the Seller, by any Person or governmental authority, which (i) is reasonably likely to have, individually and in the aggregate, a material adverse effect on the business, assets or operations of the Seller taken as a whole or (ii) seeks to delay or prevent the consummation of the transactions contemplated hereby. As of the date hereof, neither the Seller nor any property or assets of the Seller is subject to any outstanding orders, writs, judgments, injunctions or decrees ("Orders"). To the Knowledge of the Seller and Jensen, there is no basis for any claim, action or Proceeding against the Seller which could reasonably be expected to have a material adverse effect on the business, assets, operations or financial condition of the Seller taken as a whole. Except as disclosed on Schedule 4.19, there is no action or suit by the Seller pending or threatened against others.

4.20 Environment, Health, and Safety Matters.

(a) Seller is in compliance with Environmental, Health, and Safety Requirements, except for such noncompliance as would not have a material adverse effect on the financial condition of Seller individually or in the aggregate.

(b) Seller has not received any written notice, report or other information regarding any actual or alleged material violation of Environmental, Health, and Safety Requirements, or any material liabilities or potential material liabilities (whether accrued, absolute, contingent, unliquidated or otherwise), including any investigatory, remedial or corrective obligations, relating to Seller or its facilities arising under Environmental, Health, and Safety Requirements and Seller is not aware of any conditions, circumstances or activities that threaten to result in such liabilities.

(c) This Section 4.20 contains the sole and exclusive representations and warranties of Seller with respect to any environmental, health, or safety matters, including without limitation any arising under any Environmental, Health, and Safety Requirements.

4.21 Broker's or Finder's Fees. No agent, broker, person or firm acting on behalf of the Seller is, or will be, entitled to any commission or broker's or finder's fees from the Seller or from any person controlling, controlled by or under common control with the Seller in connection with any of the transactions contemplated herein.

4.22 Accounts Receivable. To the Knowledge of Seller and Jensen, all of Seller's accounts receivable arose in the Ordinary Course of Business and are "arms length".

4.23 Disclosure. All Documents delivered or to be delivered by or on behalf of the Seller in connection with this Agreement and the transactions contemplated hereby are true, complete and correct in all material respects. Neither this Agreement, nor any of the other Documents contains any untrue statement of a material fact or omits a material fact necessary to make the statements made by the Seller herein or therein, in light of the circumstances in which made, not misleading. There is no fact known to the Seller which materially and adversely affects the business, prospects or financial condition of the Seller or its properties or assets, which has not been set forth in the Documents.

4.24 Names. To the Knowledge of the Seller and Jensen, no other Person or business uses or has the right to use the corporate name "Air Crete Block, Inc." or any variant or derivative thereof in businesses similar to the Business and to the Knowledge of the Seller no Person has ever tried to restrain the Seller from using such names or any variant or derivative thereof.

4.25 Assets Necessary to Business. The Transferred Assets constitute all assets and properties (other than the Excluded Assets) necessary to carry on the business and operations of the Seller as presently conducted except for routine record keeping and administrative functions, and the Parent does not own any assets or properties (other than assets used for routine record keeping and administrative functions) which are being, or have been, used to carry on the business or operations of the Seller as presently conducted.

4.26 Investment Representations. Seller has been fully informed to its complete satisfaction concerning the business, current operations, finances, and all other matters relating to Buyer which it considers significant for the purpose of making an investment decision with respect to the ABS Shares. In particular, it understands that Buyer has not commenced business operations and it must raise significant capital in order to commence active business operations. Seller understands that there can be no assurance that Buyer will be able to raise such capital. Seller has been offered the opportunity to discuss the Buyers affairs with members of its management, to review such documents and records as it consider appropriate, and has received all information which it have requested with respect to Buyer. Seller is fully aware of all of the risks involved in acquiring the ABS Shares. Seller understands that Buyer is a privately held company and that there is no market for its securities and there may be no market in the future. Seller understands that the ABS Shares have not been (i) registered under the Securities Act of 1933 as amended, nor (ii) have they been registered or qualified under the applicable securities laws of any state in the United States, and are being issued in reliance upon the truth and accuracy of the representations made herein with respect to my investment intent and suitability as an investor.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF THE BUYER

As an inducement to the Seller to enter into this Agreement and to consummate the transactions contemplated hereby, the Buyer represents and warrants to the Seller, except as otherwise disclosed in this Agreement or in the case of any representation qualified by its terms to a particular Schedule attached hereto, such specific Schedule, that the statements made in this Article IV will be correct and complete at the date hereof and the Closing Date, provided, however, if there is no execution of this Agreement then no party shall be liable for any inaccuracy.

5.1 Organization. The Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada and is duly qualified to transact business as a foreign corporation in each jurisdiction in which the failure to so qualify would have a material adverse impact on the Buyer's ability to purchase the Transferred Assets and the Business pursuant to this Agreement and perform its obligations under this Agreement.

5.2 Corporate Power and Authority. The Buyer has the corporate power and authority to execute, deliver and perform this Agreement. The execution, delivery and performance of this agreement and the consummation of the Transaction have been duly authorized and approved by all necessary corporate action of the Buyer. This Agreement has been duly executed and delivered by, and constitute the legal, valid and binding obligation of the Buyer enforceable against the Buyer in accordance with their terms.

5.3 Validity, Etc. Neither the execution and delivery by the Buyer of this Agreement, the consummation by the Buyer of the Transaction, nor the performance by the Buyer of this Agreement in compliance with the terms and conditions hereof and thereof by the Buyer will (i) violate, conflict with or result in any breach of any trust agreement, articles of incorporation, bylaw, judgment, decree, order, statute or regulation applicable to the Buyer, (ii) violate, conflict with or result in a breach, default or termination (or give rise to any right of termination, cancellation or acceleration) under any law, rule or regulation or any judgment, decree, order, governmental permit, license or order or any of the terms, conditions or provisions of any mortgage, indenture, note, license, agreement or other instrument or obligation to which the Buyer is a party, or (iii) violate any order, writ, injunction, decree, statute, rule or regulation applicable to the Buyer.

5.4 Governmental Approvals. No registration or filing with, or consent or approval of or other action by, any Federal, state or other governmental agency or instrumentality is or will be necessary for the valid execution, delivery and performance by the Buyer of this Agreement.

5.5 Broker's or Finder's Fee. No agent, broker, person or firm acting on behalf of the Buyer is, or will be, entitled to any commission or broker's or finder's fees from the Buyer, or from any person controlling, controlled by or under common control with the Buyer, in connection with any of the transactions contemplated herein.

5.6 Disclosure. This Agreement contains no untrue statement of a material fact or omits a material fact necessary to make the statements made by the Buyer herein or therein, in light of the circumstances in which made, not misleading. There is no fact known to the Buyer which may have a material adverse effect on the Buyer's ability to pay or perform its obligations under this Agreement.

ARTICLE VI COVENANTS AND AGREEMENTS

6.1 Information

(a) Access Pending the Closing. The Seller will permit the Buyer and its counsel, accountants and other representatives full access during normal business hours to all of its properties, books, contracts, commitments and records (including the right to conduct any physical inventory or otherwise be present at or participate in any such activity at any time prior to the Closing) and will furnish the Buyer and its representatives during such period with all such information concerning its affairs as the Buyer or its representatives may request.

(b) Access After the Closing. The Seller agree with the Buyer that on and after the Closing Seller will permit the Buyer, its respective representatives (including its counsel and auditors), during normal business hours to have access to and examine and make copies of all books and records of the other which pertain to the Business (including correspondence, memoranda, books of account, payroll records, audit work papers and the like) and which relate to the Transferred Assets.

(c) Record Retention. For a period of six years after the Closing, the Seller agrees that prior to the destruction or disposition of any such books or records pertaining to the Business which relate to the Transferred Assets shall provide not less than 30 nor more than 60 days prior written notice to the Buyer of any such proposed destruction or disposal. If the recipient of such notice desires to obtain any of such documents, it may do so by notifying the Seller in writing at any time prior to the scheduled date for such destruction or disposal. Such notice must specify the documents which the Buyer wishes to obtain. The parties shall then promptly arrange for the delivery of such documents. All out-of-pocket costs associated with the delivery of the requested documents shall be paid by the requesting party.

6.2 Best Efforts. The Seller and the Buyer shall each use best efforts to procure upon reasonable terms and conditions all approvals, completion of all filings, all registrations and certificates, and satisfaction of all other requirements prescribed by law which are necessary for the consummation of the Transaction and the Buyer's ownership and operation of the Business after the Closing Date.

6.3 Tax Returns. The Seller shall prepare and timely file, at its sole expense, all of their required tax returns for all periods ending on or prior to the Closing Date. The Seller shall be responsible for the payment of, and will indemnify, defend and hold the Buyer harmless against all

taxes due or assessed which relate to the operations of the Business for all periods ending on or prior to the Effective Time.

6.4 Conduct of Business.

(a) Prior to the Effective Time, the Seller shall use its best efforts to preserve the possession and control of all of the Transferred Assets and the Business, to preserve the goodwill of the Seller's customers and others with whom it has business relations, to preserve the Seller's relationships with its employees, to preserve the Seller's relationships with the members of its referral and broker network and to do nothing to impair the ability to keep and preserve its Business as it exists on the date of this Agreement.

(b) The Seller will not do or omit to do any act, or permit any act or omission to act, which may cause a material breach of any contract, commitment or obligation of the Seller related to the Transferred Assets or the Business, or any breach of any representation, warranty, covenant or agreement made by the Seller herein.

(c) The Seller will duly comply with all laws applicable to the Business other than laws the noncompliance with which would not have a material adverse effect on the condition (financial or otherwise), assets, liabilities, operations, business or prospects of the Seller or on the Transferred Assets or the Business, and all laws compliance with which is required for the valid effectuation of the transactions contemplated by this Agreement.

6.5 Payment of Liabilities. The Seller shall pay and satisfy in full all of its obligations and liabilities, of any nature whatsoever, which accrue prior or subsequent to the Closing Date.

6.6 Consents. The Seller shall use its best efforts to obtain from the other parties under the Contracts, and from other parties with any interest in other Transferred Assets, consents necessary to the assignment of the Contracts and the Leases to the Buyer without any amendment, modification or change in the terms of such Contracts or Leases, and consents necessary to the transfer of the other Transferred Assets.

6.7 Forbearances. During the period from the date of this Agreement to the Effective Time, the Seller shall not, without the prior written or verbal consent of an authorized officer of the Buyer:

- (a) change its existing policies or business operation in any material respect;
- (b) take any action that would materially impede or delay the consummation of the transactions contemplated by this Agreement;
- (c) increase the salary of its directors, officers or employees;

(d) hire any employee or enter into or modify any employment, consulting or other similar agreements;

(e) dispose of any property or asset, make any contract or agreement, or engage in any transaction, except in the ordinary course of business consistent with prudent business practices;

(f) make any changes in accounting procedures, methods, policies or practices or the manner in which it conducts its business and maintains its records;

(g) except in the ordinary course of business consistent with prudent business practices and existing policy, incur any indebtedness for borrowed money, assume, guarantee, endorse or otherwise as an accommodation become responsible or liable for the obligations of any other individual, corporation or other entity, accelerate payments under any notes receivable or permit or allow any of the Transferred Assets to be mortgaged, pledged or otherwise subjected to any Claim;

(h) terminate or modify any lease, license, permit, contract or other agreement to which it is a party;

(i) make any capital expenditures or commitments in excess of \$15,000 in the

(j) make any capital expenditures or commitments in excess of \$15,000 in the

(i) make any capital expenditures or commitments in excess of \$15,000 in the aggregate for additions to property or equipment, or agree to make any such expenditure or commitment; or

(j) agree in writing or otherwise to take any of the foregoing actions or engage in any activity, enter into any transaction or take or omit to take any other action which would make any of the representations and warranties in Article III of this Agreement untrue or incorrect in any material respect if made anew after engaging in such activity, entering into such transaction, or taking or omitting such other act.

6.8 Non-Competition

(a) During the period commencing on the Closing Date and ending five years from the Closing Date, neither the Seller nor Jensen nor any of their Affiliates will directly or indirectly compete with the Buyer in the Business, engage in any aspect of the Business, undertake to plan or organize any entity that may engage in the Business, or own more than a 1% equity interest in any enterprise that engages in the Business.

(b) Definition of Competition. The term "compete" as used herein includes soliciting or selling any service or product offered in the operation of the Business or customarily offered in any other factoring business.

(c) Enforcement. It is the desire and intent of the parties that the provisions of this Section shall be enforced to the fullest extent permissible under the laws and public policies

applied to each jurisdiction in which enforcement is sought. The invalidity or nonenforceability of this Section 6.8 in any respect shall not affect the validity or enforceability of this Section 6.8 in any other respect or of any other provisions of this Agreement. If any particular provision or portion of this Section is breached by the Seller, the Buyer shall be entitled to an injunction restraining such part from such breach. Nothing herein shall be construed as prohibiting the Buyer from pursuing any other remedies for such breach or threatened breach.

(d) Consideration The undertakings and covenants of the Seller and Jensen contained in this Section 6.8 are an integral part of the transactions set forth in this Agreement, and the purchase price paid and to be paid by the Buyer pursuant to this Agreement shall be consideration not only for the Transferred Assets but also for the undertakings and covenants of the Seller and Jensen set forth herein.

6.9 Confidential Information In light of the possibility of irreparable damage to the Buyer if the Seller's confidential knowledge of the business and affairs of the Seller were disclosed to or utilized on behalf of any person, firm, corporation or other business entity which is in competition in any material respect with any line or lines of business of the Seller, the Seller hereby covenants and agrees that for a period of five years after the Closing Date it will not, and it will ensure that none of its affiliates will, without the prior written consent of the Buyer, disclose or use any such confidential information except to authorized representatives of the Buyer.

6.10 No Negotiations Neither the Seller nor Jensen nor any affiliate thereof will directly or indirectly (through a representative or otherwise) solicit, or furnish information to, any prospective buyer, commence negotiations with any other party or enter into any agreement with any other party concerning the sale of the Transferred Assets, the Seller or any part of the Seller.

6.11 Disclosure Supplements From time to time prior to the Effective Time, the Seller shall promptly supplement or amend any materials previously disclosed and delivered to the Buyer pursuant hereto with respect to any matter hereafter arising which, if existing, occurring or known at the date of this Agreement, would have been required to be set forth or described in materials previously disclosed to the Buyer or which is necessary to correct any information in such materials which has been rendered materially inaccurate thereby. No such supplement or amendment to such materials shall be deemed to have modified the representations, warranties and covenants of the parties for the purpose of determining whether the conditions set forth in Article VI hereof have been satisfied.

ARTICLE VII CONDITIONS TO THE BUYER'S OBLIGATIONS

The obligations of the Buyer under this Agreement to consummate the other transactions contemplated hereby is subject to the satisfaction, on or before the Closing, of the following conditions, each of which may be waived by the Buyer in its sole discretion:

7.1 Representations and Warranties. The representations and warranties made by the Seller and Jensen in this Agreement, and the statements contained in the Schedules annexed hereto or in any instrument, list, certificate or writing delivered by the Seller pursuant to this Agreement, shall have been true in all material respects when made and at and as of the Closing Date as though such representations and warranties were made at and as of such date, except for any changes permitted by the terms of this Agreement or consented to by the Buyer in writing.

7.2 Performance. The Seller shall have performed and complied with all agreements, obligations and conditions required by this Agreement to be so performed or complied with by it, prior to or at the Closing.

7.3 Officers' Certificate. The Seller shall have delivered to the Buyer a certificate, dated the Closing Date, and executed by two principal executive officers of the Seller certifying to the fulfillment of the conditions specified in Sections 7.1, 7.2, 7.4 and 7.5 hereof.

7.4 Consents. All approvals of applications to public authorities (federal, state or local, domestic or foreign), all consents and approvals of any private persons, and all necessary corporate and shareholder action, if any, the granting or performing of which are necessary, in the reasonable opinion of the Buyer, for the consummation of the transactions contemplated hereby shall have been obtained, and no such approval or action shall contain any condition which materially adversely affects or will materially adversely affect the Transferred Assets or the Business.

7.5 Litigation

(a) There shall be no order, decree or injunction of a court of competent jurisdiction, including the entry of a preliminary or permanent injunction, which (i) prevents or delays the performance by the Buyer, the Seller of its obligations hereunder or (ii) would impose any material limitation on the ability of the Buyer effectively to exercise full rights of ownership of the Transferred Assets, the Business and the goodwill associated therewith.

(b) No action, suit or proceeding before any court or any governmental or regulatory authority shall be pending against the Buyer or the Seller, challenging the validity or legality of the transactions contemplated by this Agreement.

7.6 Closing Documents. The Seller shall have delivered all of the resolutions, certificates, documents and instruments required by this Agreement.

7.7 Corporate and Shareholder Authorization. All corporate and shareholder action necessary to authorize the execution and delivery of this Agreement and consummation of the transactions contemplated hereby shall have been duly and validly taken by the Seller and all affiliates thereof, including approval by all of the shareholders of the Seller.

ARTICLE VIII

CONDITIONS TO THE SELLER'S OBLIGATIONS

The obligation of the Seller to transfer the Transferred Assets to the Buyer and to consummate the other transactions contemplated hereby is subject to the satisfaction, on or before the Closing Date, of the following conditions, each of which may be waived by the Seller in its sole discretion:

8.1 Representations and Warranties. The representations and warranties made by the Buyer in this Agreement shall have been true in all material respects when made and at and as of the Closing Date as though such representations and warranties were made at and as of such date, except for any changes permitted by the terms of this Agreement or consented to by the Seller in writing.

8.2 Performance. The Buyer shall have performed and complied with all agreements, obligations and conditions required by this Agreement to so be performed or complied with by it prior to or at the Closing.

8.3 Officers' Certificate. The Buyer shall have delivered to the Seller a certificate, dated the Closing Date, and executed by two principal executive officers of the Buyer, certifying to the fulfillment of the conditions specified in this Agreement.

8.4 Litigation.

(a) There shall be no order, decree or injunction of a court of competent jurisdiction, including the entry of a preliminary or permanent injunction, which prevents or delays the performance by the Buyer or the Seller of its obligations hereunder.

(b) No action, suit or proceeding before any court or any governmental or regulatory authority shall be pending against the Buyer or the Seller, challenging the validity or legality of the transactions contemplated by this Agreement.

8.5 Closing Documents. The Buyer shall have delivered all of the resolutions, certificates, documents and instruments required by this Agreement.

8.6 Consents. All approvals of applications to public authorities (federal, state or local, domestic or foreign), all consents and approvals of any private persons, and all necessary corporate and shareholder action, if any, the granting or performing of which are necessary for the consummation of the transactions contemplated hereby shall have been obtained.

ARTICLE IX

INDEMNIFICATION

9.1 Survival. All representations, warranties, agreements and covenants in this Agreement shall survive the Closing of the purchase of the Transferred Assets contemplated hereby and any investigation at anytime made by or on behalf of any party for a period of five years and all such representations and warranties, agreements and covenants shall expire on the second anniversary of the Closing Date. Notwithstanding anything else contained herein to the contrary, tax and environmental claims, shall survive for the full period of the applicable statute of limitations, and until finally resolved and satisfied in full if asserted on or prior to the expiration of any such period. The representations and warranties shall not be affected or otherwise diminished by any investigation at any time by or on behalf of the party for whose benefit such representations and warranties were made.

9.2 Indemnification by the Seller. Subject to the terms herein, the Seller, shall indemnify, defend and hold the Seller's Indemnitees harmless from, against and with respect to any Damages, arising out of or in any manner incident, relating or attributable to:

(a) Any inaccuracy in any representation or breach of any warranty of the Seller contained in this Agreement;

(b) Any failure by the Seller to perform or observe, or to have performed or observed, in full, any covenant, agreement or condition to be performed or observed by it under this Agreement;

(c) Reliance by the Buyer on any books or records of the Seller or written information furnished to the Buyer pursuant to this Agreement by or on behalf of the Seller in the event that such books and records or written information are false or materially inaccurate, or

(d) Material Liabilities or obligations of, or claims against, the Buyer (whether absolute, accrued, contingent or otherwise) relating to, or arising out of, the sale and transfer of the Business hereunder, the operation of the Business prior to the Closing Date or facts and circumstances relating specifically to the Business, or the Seller existing at or prior to the Closing Date, whether or not such liabilities, obligations or claims were known on such date.

(e) Liabilities or obligations of, or claims against, the Buyer (whether absolute, accrued, contingent or otherwise) relating to, or arising out of, any action of the Seller or the Parent relating to the operation of the Business subsequent to the Closing Date.

9.3 Notice to the Seller, Etc. If any of the matters as to which the Seller's Indemnitees are entitled to receive indemnification under Section 9.2 should entail litigation with or claims asserted by parties other than the Seller, the Seller shall be given prompt notice thereof and shall have the right, at their expense, to control such claim or litigation upon prompt notice to the Buyer of their election to do so. To the extent requested by the Seller, the Buyer, at its expense, shall cooperate

with and assist the Seller, in connection with such claim or litigation. The Seller shall have final authority to determine all matters in connection with such claim or litigation; provided, however, that the Parent and the Seller shall not settle any third-party claim without the consent of the Buyer, which shall not be unreasonably denied or delayed.

9.4 Indemnification by the Buyer. The Buyer shall indemnify, defend and hold the Buyer's Indemnitees harmless from, against and with respect to any Damages arising out of or in any manner incident, relating or attributable to:

(a) Any inaccuracy in any representation or breach of warranty of the Buyer contained in this Agreement;

(b) Any failure by the Buyer to perform or observe, or to have performed or observed, in full, any covenant, agreement or condition to be performed or observed by it under this Agreement of the Documents;

(c) Reliance by the Seller on any books or records of the Buyer or reliance by the Seller on any written information furnished to the Seller pursuant to this Agreement by or on behalf of the Buyer in the event that such books and records or written information are false or inaccurate; or

(d) The failure of the Buyer to pay or perform under the assumed Contracts and subsequent to the Closing Date.

Provided, however, the Buyer's Indemnitees shall not be entitled to indemnification hereunder until Damages in total exceed \$15,000 and then only to the extent of aggregate damages in excess of \$15,000.

9.5 Notice to Buyer, Etc. If any of the matters as to which the Buyer's Indemnitees are entitled to receive indemnification under Section 9.1 should entail litigation with or claims asserted by parties other than the Buyer, the Buyer shall be given prompt notice thereof and shall have the right, at its expense, to control such claim or litigation upon prompt notice to the Seller of its election to do so. To the extent requested by the Buyer and the Seller, at their expense, shall cooperate with and assist the Buyer, in connection with such claim or litigation. The Buyer shall have final authority to determine all matters in connection with such claim or litigation; provided, however, that the Buyer shall not settle any third-party claim without the consent of the Parent, which shall not be unreasonably denied or delayed.

ARTICLE X TERMINATION

10.1 Termination of Agreement. This Agreement may be terminated at any time prior to the Closing:

- (i) by mutual agreement of the Seller and the Buyer;
- (ii) by the Buyer, if there has been a material violation or breach by the Seller of any of its agreements, representations or warranties contained in this Agreement which has not been waived in writing or if there has been a material failure of satisfaction of a condition to the obligations of the Buyer which has not been waived in writing and, in each case, which has not been cured within 30 days after written notice thereof is given to the Seller;
- (iii) by the Seller, if there has been a material violation or breach by the Buyer of any of the agreements, representations or warranties contained in this Agreement which has not been waived in writing or if there has been a material failure of satisfaction of a condition to the obligations of the Seller hereunder which has not been waived in writing and, in each case, which has not been cured within 30 days after written notice thereof is given to the Buyer; and
- (iv) by any party hereto if the Closing shall not have occurred on or before October 31, 2001 (provided, that the terminating party is not then in material breach of any representation, warranty, covenant or agreement contained herein or in any schedule or document delivered pursuant thereto).

10.2 Specific Performance and Other Remedies. The parties acknowledge that their respective rights to consummate the transactions contemplated hereby are special, unique and of extraordinary character. Each party agrees, therefore, that if it violates or fails and/or refuses to perform any covenant or agreement made by it herein, the other party or parties may, in addition to any remedies at law for damages or other relief, institute and prosecute an action to enforce specific performance of such covenant or agreement or seek any other equitable relief. In addition to any and all equitable remedies, the breaching Party shall pay to the non-breaching Party an amount equal to the sum of all the expenses of the non-breaching Party related to this Agreement.

10.3 Effect of Termination. Upon the termination of this Agreement, no party shall have any further obligation to any other party, except that if a non-breaching Party shall properly terminate this Agreement because of a material violation, breach or failure of the other Party pursuant to Section 10.1 (i) or (ii), then the breaching Party shall promptly pay to the non-breaching Party agreed-upon liquidated damages of \$7,500 in cash in immediately available funds; if such material violation, breach or failure is willful then the breaching Party shall also pay to the non-breaching Party an amount equal to the sum of all the expenses of the non-breaching Party related to this Agreement.

**ARTICLE XI
MISCELLANEOUS**

11.1 Notices. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) sent by recognized overnight courier, (iii) made by telecopy or facsimile transmission, or (iv) sent by registered or certified mail, return receipt requested, postage prepaid.

If to the Buyer:

Advanced Building Systems, Inc.
12091 South Cattail Cir.
Draper, Ut 84020
Attn: Bryan Hunsaker
Chief Executive Officer and President
Fax No. (801) 501-0124

If to the Seller:

Air Crete Block, Inc.
9948 So. City Lights Cir.
South Jordan, Ut 84095
Attn: Dan Jensen
President
Fax No. (801) 282-4323

All notices, requests, consents and other communications hereunder shall be deemed to have been given (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, (iii) if made by telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, or (iv) if sent by registered or certified mail, on the fifth business day following the day such mailing is sent. The address of any party herein may be changed at any time by written notice to the parties.

11.2 Entire Agreement. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof.

11.3 Modifications and Amendments. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by all parties hereto.

11.4 Assignment/Binding Effect. Neither this Agreement, nor any right hereunder, may be assigned by any of the parties hereto without the prior written consent of the other parties. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

11.5 Parties in Interest. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than the Buyer or the Seller, any rights or remedies of any nature whatsoever under or by reason of this Agreement except their respective successors and permitted assigns. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no other person or entity shall be regarded as a third-party beneficiary of this Agreement.

11.6 Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the internal laws of the State of Utah without giving effect to the conflict of law principles thereof.

11.7 Arbitration. Any dispute or difference between the parties hereto arising out of or relating to this Agreement shall be finally settled by arbitration in accordance with the Commercial Rules of the American Arbitration Association by a panel of three qualified arbitrators. The Seller and the Buyer shall each choose an arbitrator and the third shall be chosen by the two so chosen. If either the Seller or the Buyer fails to choose an arbitrator within 30 days after notice of commencement of arbitration or if the two arbitrators fail to choose a third arbitrator within 30 days after their appointment, the American Arbitration Association shall, upon the request of any party to the dispute or difference, appoint the arbitrator or arbitrators to constitute or complete the panel as the case may be. Arbitration proceedings hereunder may be initiated by either, the Seller or the Buyer making a written request to the American Arbitration Association, together with any appropriate filing fee, at the office of the American Arbitration Association in Dallas. All arbitration proceedings shall be held in Salt Lake City, Utah. Any order or determination of the arbitral tribunal shall be final and binding upon the parties to the arbitration and may be entered in any court having jurisdiction.

11.8 Severability. In the event that any arbitral tribunal of competent jurisdiction shall finally determine that any provision, or any portion thereof, contained in this Agreement shall be void or unenforceable in any respect, then such provision shall be deemed limited to the extent that such arbitral tribunal determines it enforceable, and as so limited shall remain in full force and effect. In the event that such arbitral tribunal shall determine any such provision, or portion thereof, wholly unenforceable, the remaining provisions of this Agreement shall nevertheless remain in full force and effect.

11.9 Interpretation. The parties hereto acknowledge and agree that: (i) the rule of construction to the effect that ambiguities are resolved against the drafting party shall not be

employed in the interpretation of this Agreement, and (ii) the terms and provisions of this Agreement shall be construed fairly as to all parties hereto and not in favor of or against any party, regardless of which party was generally responsible for the preparation of this Agreement.

11.10 Headings and Captions. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect, or be considered in construing or interpreting the meaning or construction of any of the terms or provisions hereof.

11.11 Reliance. The parties hereto agree that, notwithstanding any right of any party to this Agreement to investigate the affairs of any other party to this Agreement, the party having such right to investigate shall have the right to rely fully upon the representations and warranties of the other party expressly contained herein. Notwithstanding the above, any breach which is waived in writing by the non-breaching party shall not be deemed a breach of this Agreement.

11.12 Expenses. Each party shall pay its own fees and expenses (including the fees of any attorneys, accountants, appraisers or others engaged by such party) incurred in connection with this Agreement and the transactions contemplated hereby whether or not the transactions contemplated hereby are consummated.

11.13 Gender. All pronouns and any variation thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or entity or the context may require.

11.14 Publicity. No party shall issue any press release or otherwise make any public statement with respect to the execution of, or the transactions contemplated by, this Agreement without consulting with the other parties prior thereto and except as may be required by law.

11.15 Counterparts. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11.16 Schedules, Exhibits and Amendments. Disclosure in any Schedule of any allegations with respect to any alleged failure to perform, or breach or default of a contractual or other duty or obligation shall not be deemed an admission to any party other than a party hereto that such has in fact occurred, but shall be effective for the purposes for which such Schedule is intended as if such had in fact occurred.

11.17 Buyers Performance Buyer must perform any one of the following events within 6 months of the transfer of all of the sellers identified assets.

1. ABS shall secure a minimum \$1,000,000 or,

2. Secure a signed contract with the Venezuelan parties and begin implementation of the production process or,


3. Begin production and execute sales of the block.

In the event that ABS is unsuccessful in their performance all remaining transferred assets which have not been spent in the normal course of business, including all transferred Intellectual Properties, shall be returned to Air Crete and Jensen. The performance schedule may be extended or altered at any time if agreed upon in writing by both the Buyer and the Seller or Jensen.

IN WITNESS WHEREOF, the Buyer and the Seller have each caused this Agreement to be executed by its duly authorized officer all as of the day and year first above written.


Buyer:

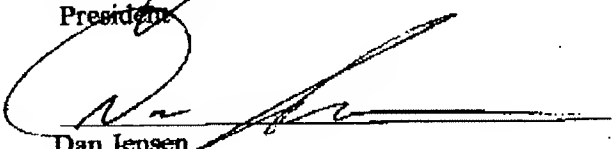
ADVANCED BUILDING SYSTEMS, INC.,
a Nevada corporation

By: 
Bryan R. Hunsaker
President

Seller:

AIR CRETE BLOCK, INC.,
a Utah corporation

By: 
Dan Jensen
President


Dan Jensen
Individually

Walter Browning
Individually

9/02/01

Exhibit "A"

Air Crete Assets Bill of Sale

Air Crete Block hereby agrees to sell the following Assets to Advanced Building Systems (ABS), for the sum of 2,200,000 shares of ABS stock. Details of this transaction are outlined in the Asset Purchase Agreement.

Forklift
Cement Screws
Air Compressor
Hot Water Boiler & Plumbing
Hydraulic gates for hoppers
2 Silos
Weigh equipment and scales & Relays
PLC, Electrical panel, Sensors
Water pumps
Oil pump
Hydraulic motor, reservoir & supply lines
Mold release system
Material discharge hopper
Hopper washout system
Mold hopper
Mold
Conveyor system
Foam Generators (2)
Foam storage tank & Sensors
Overhead conveyor system
Sand Hopper
Automation Program
Trade Secrets
Patents
Patents Pending
Foaming agent formulation
Block production process

This list represents substantially all of the Air Crete Assets, Additional Assets may be added at any time by written agreement between Air Crete and ABS.

Seller:

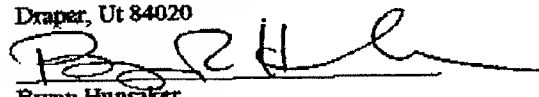
Air Crete Block, Inc.
9948 So. City Lights Cir.
South Jordan, Ut 84095


Dan Jensen

President

Buyer:

Advanced Building Systems
12091 S. Cattail Cir.
Draper, Ut 84020


Bryan Hunsaker

President

Exhibit "B"
Contracts Assignment and Assumption Agreement

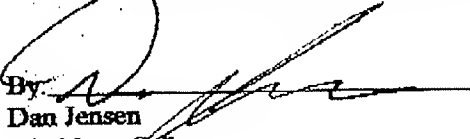
This Agreement is entered into this ____ day of September, 2001 by and among Air Crete Block, Inc. ("Seller"), a Utah corporation, Dan Jensen and Advanced Building Systems, Inc., a Nevada corporation ("Buyer").

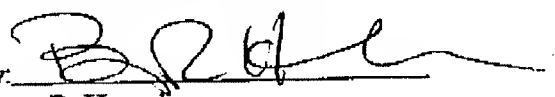
Transfer of Assets

Upon the terms and subject to the conditions set forth in this Agreement, at the Closing Time, the Seller shall transfer to the Buyer, free and clear of all Liens, all of the Transferred Assets as set forth on Exhibit "A" attached hereto in the name "Air Crete", or any derivatives thereof, which include, but are not limited to, properties and rights owned by the Seller or in which the Seller has any right or interest, including business agreements, property, accounts receivable, goodwill, patents, patents pending, supplier lists, trademarks, copy rights, customer lists, assignable licenses and permits, processes, service marks, know-how, show-how, formulations, trade secrets, assignable software (including, to the extent owned and transferable, documentation and related source and object codes), assignable licenses thereto, computers and computer equipment, files and other records, systems and processes, security deposits, contracts, arrangements and understandings, oral and written, formal and informal, for work to be performed and/or services to be provided, real estate and interests therein, leasehold and other improvements, machines, machinery, equipment, furniture, fixtures, supplies, all rights and claims under insurance policies and other contracts of whatever nature all of the right, title and interest of the Seller in the name "Air Crete", or any derivatives thereof.

No Assumption of Liabilities

Buyer shall not be obligated to pay or assume any liability of Seller or its Affiliates including, but not limited to, any account payable, loan, agreement or claim for damages resulting from personal injury or any other matter occurring prior to the Closing. Any and all liabilities or obligations of Seller for personal injury (including sickness, trauma, disease, pain and suffering, loss of future earnings, death, punitive damages and the like), property damage, and other damage and injury claims arising out of Seller's (or any predecessor's) conduct of business prior to the Closing, whether or not any claim or litigation has been instituted with respect thereto and whether or not any claim is covered, partially or fully, by insurance, any mortgage, security interest, lien or encumbrance of any kind affecting the Transferred Assets. Any obligations or liability arising from the relationship between Seller and any of its employees, shareholders or agents. Any obligations or liability of Seller for any federal, state, local or foreign taxes, whenever incurred or accrued, or any interest or penalties with respect thereto. Any obligation or liability of Seller arising under this Agreement or the transactions contemplated hereby. Any obligations or liability arising as a result of the failure or alleged failure of Seller to comply with any applicable local, state or federal law, ordinance, regulation, order or decree. Any legal proceedings (and any debts, obligations and liabilities with respect thereto) now pending or hereafter instituted against Seller and any legal proceedings (and any debts, obligations and liabilities with respect thereto) instituted prior to or after the date of this Agreement arising out of the Business prior to the Closing.

By: 
Dan Jensen
President, Seller

By: 
Bryan R. Hunsaker
President, Buyer

BILL OF SALE

THIS BILL OF SALE (this "Bill of Sale") is made as of September 2, 2001, by AIR CRETE BLOCK, INC., a Utah corporation ("Seller"), in favor of ADVANCED BUILDING SYSTEMS, INC., a Nevada corporation ("Buyer").

Recitals

A. Seller and Buyer have entered into an Asset Purchase Agreement dated September 2, 2001 (the "Agreement"), pursuant to which Buyer is purchasing from Seller, and Seller is selling to Buyer, the Transferred Assets (as defined in the Agreement).

B. For good and valuable consideration, the adequacy and receipt of which are hereby acknowledged by Seller, Seller is giving this Bill of Sale for the purpose of effecting such purchase and sale pursuant to the provisions of the Agreement.

NOW, THEREFORE, Seller hereby agrees as follows:

1. Sale of Transferred Assets. Seller hereby irrevocably and unconditionally sells, conveys, assigns, transfers and delivers to Buyer, its successors and assigns, all right, title and interest in and to all of the Transferred Assets, as that term is defined in the Agreement, including, without limitation, the Transferred Assets identified on Exhibit A attached hereto, but excluding any intellectual property.

2. No Rights in Third Parties. Nothing expressed or implied in this Bill of Sale is intended to confer upon any person, other than the parties to the Agreement and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Bill of Sale.

3. Successors and Assigns. This Bill of Sale is executed pursuant to the Agreement and is entitled to the benefits thereof and shall be binding upon and inure to the benefit of Seller and Buyer and their respective successors and assigns.

4. Governing Law. This Bill of Sale shall be governed in accordance with the laws of the State of Utah, excluding the choice of law provisions thereof.

5. No Amendments. No amendments to this Bill of Sale shall be effective unless made in writing and signed by Buyer and Seller.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of the date first above written.

AIR CRETE BLOCK, INC.

By: 

Title: PRES.

EXHIBIT A

(Attached to and forming a part of the Bill of Sale made as of
September 2, 2001, by Air Crete Block, Inc., a Utah corporation,
in favor of Advanced Building Systems, Inc., a Nevada corporation)

Forklift
Cement Screws
Air Compressor
Hot Water Boiler & Plumbing
Hydraulic gates for hoppers
2 Silos
Weigh equipment and scales & Relays
PLC, Electrical panel, Sensors
Water pumps
Oil pump
Hydraulic motor, reservoir & supply lines
Mold release system
Material discharge hopper
Hopper washout system
Mold hopper
Mold
Conveyor system
Foam Generators (2)
Foam storage tank & Sensors
Overhead conveyor system
Sand Hopper

ADVANCED BUILDING SYSTEMS, INC.
130 East Main Street
Heber City, UT 84032

July 25, 2001

Mr. Dan Jensen, President
Air Crete Block, Inc.
552 South Gladiola Street, Building B
Salt Lake City, Utah 84104

Re: Letter of Intent

Dear Mr. Jensen:

We believe that this Letter of Intent sets forth the key terms of a transaction (the "Transaction"), which has been developed through several discussions between Advanced Building Systems, Inc. ("ABS") and Air Crete Block, Inc. ("Air Crete"). This Letter of Intent is sent as a proposed, non-binding Letter of Intent that sets forth the key deal points for a possible Transaction between the parties. The Transaction described herein will be subject to shareholder and/or director approval of both companies, to compliance with all applicable laws, rules and regulations and to the execution of a definitive Asset Purchase Agreement.

Background Information Regarding ABS

ABS is a recently formed, private held company. ABS was recently incorporated in the State of Nevada and is currently in good standing. ABS is currently an inactive company and has no operations. ABS's assets consist of a limited amount of cash. ABS's business plan is to attempt to acquire assets from one or more operating companies through the issuance of its securities. ABS's authorized capital consists of 100,000,000 shares of \$.001 par value common stock and 5,000,000 shares of preferred stock. We anticipate that immediately prior to the consummation of the Transaction, there will be approximately 19,800,000 shares of ABS common stock issued and outstanding. There are no shares of preferred stock issued and we have no current plans to issue shares of preferred stock in foreseeable future. There is currently no market for shares of ABS common stock and there can be no assurance that any market will every develop, or if developed, that it would be sustained. In order for ABS's business plan to be effected, we must raise a significant amount of cash. There can be no assurance that we will be able to raise such cash.

Transaction

The Transaction we propose provides for the sale by Air Crete of certain assets (listed in Exhibit "A" attached hereto and by this reference made a part hereof) to ABS in exchange for 2,200,000 shares of ABS common stock. We anticipate that at the closing of the Transaction, the 2,200,000 shares would represent approximately 10% of the total ABS shares issued and

outstanding. One of our conditions for the purchase of the Air Crete assets is that all shareholders of Air Crete would be required to vote in favor of the sale of assets.

Subsequent to the closing of the Transaction, Air Crete would liquidate, distribute the 2,200,000 ABS shares to its shareholders and thereafter dissolve.

Private Placement

ABS intends to offer and sell additional shares of its common stock for cash in a private offering and attempt to raise a minimum of \$1,500,000 and a maximum of \$4,000,000. We anticipate that these shares would be offered at a price of \$1.00 per share. The principal of ACAP Financial, an NASD registered broker-dealer, has indicated that ACAP is interested in serving as the Placement Agent in such private offering.

SEC Registration and Lockup

We anticipate that following the closing of the Transaction and the completion of the private placement, that ABS would file a registration statement with the SEC to register the shares issued in the private placement as well as the 2,200,000 shares issued by ABS to Air Crete. At the time of the registration with the SEC, we anticipate that the 2,200,000 shares issued to Air Crete would have been distributed by Air Crete to its shareholders on a prorata basis. ABS shares distributed by Air Crete to the following shareholders of Air Crete would be subject to a lockup agreement: Dan Jensen, Julie Jensen, Walter Browning, and Donna Browning. The lockup agreement would restrict from sale or transfer for a period of two years, the ABS shares owned by these persons. Following the effective date of the registration, ABS would be required to file reports with the SEC including but not limited to Form 10-KSB, Form 10-QSB, and Form 8-K. We anticipate that after the registration statement is declared effective, that we will attempt to have a public market developed for our shares of common stock.

Management

The management of ABS will, for the foreseeable future consists of Bryan Hunsaker, Douglas P. Morris and Ziad Hakim.

Conditions Precedent

The Transaction proposed herein is subject to the following conditions:

A. The decision of both parties to proceed with the Transaction after completion of due diligence and analysis.

B. The execution of definitive Asset Purchase Agreements in such form as agreed to by the parties.

C. Compliance with all applicable federal securities laws and state corporate and securities laws.

D. The approval of the Transaction by all of the shareholders of Air Crete.

E. The delivery of such documents and information as is reasonably requested by each party.

News Releases and Communications

As soon as practicable after the date of execution hereof, ABS and Air Crete may issue a press release or otherwise communicate to their shareholders, the financial community, and other interested parties in order to provide disclosure of the proposed transaction. A party desiring to make such disclosure shall obtain the approval of the other party, prior to distribution thereof. Such approval will not be unreasonably withheld.

Conduct of Business

The parties hereto hereby agree to conduct their business in accordance with the usual and normal course of business heretofore conducted by the companies. Thus, there will be no material adverse changes in the business of either company from the date hereof until the closing of this transaction and there will be no changes in either company's Articles of Incorporation or Bylaws except as contemplated hereby or in the definitive Agreement.

Assistance

Each of the parties hereto agree to take whatever reasonable steps are required to facilitate the consummation the other party's analysis and due diligence relative to the Transaction.

Termination

The Letter of Intent shall automatically terminate ten (10) days after the date hereof unless accepted by you and, after acceptance, shall terminate on August 31, 2001, unless extended by the written agreement of the parties hereto. Even if both parties sign this Letter of Intent, there is no obligation for either party to complete the Transaction. On termination, neither party shall have any further obligation to the other under this agreement.

Mr. Dan Jensen

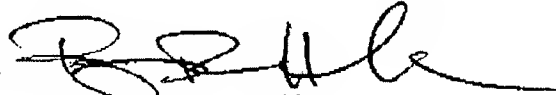
July 25, 2001

Page 4

7/30/01

This letter sets forth our understanding of the proposed terms of the transaction and is not a binding agreement on either party. If it represents your understanding of the terms of our preliminary agreement, please sign on the below-designated line and send us a copy.

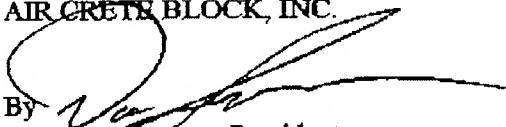
ADVANCED BUILDING SYSTEMS, INC.

By 
Bryan Hunsaker, President

The Undersigned, President of Air Crete Block, Inc., hereby agrees this Letter of Intent sets forth our preliminary agreement regarding the matters set forth herein.

Dated: 7-30-01

AIR CRETE BLOCK, INC.

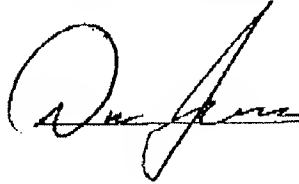
By 
Dan Jensen, President

Air Crete Block, Inc
9948 So. City Lights Circle
South Jordan, Utah 84095

BOARD OF DIRECTORS RESOLUTION

The Board of Directors of Air Crete, by a unanimous vote, has determined that the Sale Proposal, and the related transactions contemplated by the Letter of Intent, is in the best interests of Air Crete and its stockholders. The Board of Directors of Air Crete recommends that you vote in favor of the Sale Proposal.

By order of the Board of Directors,

 President

Salt Lake City, Utah
(Date 8-9-01)

Appendices

- Appendix A Letter of Intent
- Appendix B Board of Directors Resolution dated _____
- Appendix C Information Statement

ASSIGNMENT OF INTELLECTUAL PROPERTY

THIS ASSIGNMENT OF INTELLECTUAL PROPERTY ("this Assignment") is made as of November 2, 2001, by AIR CRETE BLOCK, INC., a Utah corporation ("Seller"), in favor of ADVANCED BUILDING SYSTEMS, INC., a Nevada corporation ("Buyer").

Recitals

A. Seller and Buyer have entered into an Asset Purchase Agreement dated September 2, 2001 (the "Agreement"), pursuant to which Buyer is purchasing from Seller, and Seller is selling to Buyer, the Transferred Assets (as defined in the Agreement).

B. For good and valuable consideration, the adequacy and receipt of which are hereby acknowledged by Seller, Seller is giving this Assignment for the purpose of effecting such purchase and sale pursuant to the provisions of the Agreement.

NOW, THEREFORE, Seller hereby agrees as follows:

1. Sale of Intellectual Property. Seller hereby irrevocably and unconditionally sells, conveys, assigns, transfers and delivers to Buyer, its successors and assigns, all right, title and interest in and to all of the intellectual property owned by Seller or in which Seller has any right or interest, including, without limitation, all patents, patents pending, trademarks, copyrights, service marks, licenses, permits, processes, know-how, show-how, formulations, trade secrets, software (including documentation and related source and object codes), web sites and files, records and other data, the name "Air Crete" and any derivatives thereof, the domain name "aircrete.com" and the web site www.aircrete.com, and including, without limitation, the intellectual property identified on Exhibit A attached hereto.

2. No Rights in Third Parties. Nothing expressed or implied in this Assignment is intended to confer upon any person, other than the parties to the Agreement and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Assignment.

3. Successors and Assigns. This Assignment is executed pursuant to the Agreement and is entitled to the benefits thereof and shall be binding upon and inure to the benefit of Seller and Buyer and their respective successors and assigns.

4. Governing Law. This Assignment shall be governed in accordance with the laws of the State of Utah, excluding the choice of law provisions thereof.

5. No Amendments. No amendments to this Assignment shall be effective unless made in writing and signed by Buyer and Seller.

[Signature page follows]

IN WITNESS WHEREOF, Seller has executed this Assignment as of the date first above written.

AIR CRETE BLOCK, INC.


By: 
Title: PRES.

EXHIBIT A

(Attached to and forming a part of the Assignment of Intellectual Property made as of September 2, 2001, by Air Crete Block, Inc., a Utah corporation, in favor of Advanced Building Systems, Inc., a Nevada corporation)

Automation Program

Trade Secrets

Patents

Patents Pending

Foaming agent formulation

Block production process

Design Patent No. D-429822 (filed September 15, 1999) (Building Unit)

Patent Pending No. 09-396602 (filed September 15, 1999) (Lightweight Concrete Building Unit)

Patent Pending No. 09-396594 (filed September 15, 1999) (Method and Apparatus for Forming Lightweight Concrete Block)


Patent Pending No. 09-661731 (filed September 14, 2000) (Apparatus for Forming Lightweight Concrete Block)

Air Crete Block, Inc
9948 So. City Lights Circle
South Jordan, Utah 84095

BOARD OF DIRECTORS RESOLUTION

The Board of Directors of Air Crete, by a unanimous vote, has determined that the Sale Proposal, and the related transactions contemplated by the Letter of Intent, is in the best interests of Air Crete and its stockholders. The Board of Directors of Air Crete recommends that you vote in favor of the Sale Proposal.

By order of the Board of Directors,

 President

Salt Lake City, Utah
(Date 8-9-01)



State of Utah
DEPARTMENT OF COMMERCE
Division of Corporations & Commercial Code

☐ Profit Corporation
☐ Nonprofit Corporation

RECEIVED

**** This form must be type written or computer generated**

FEB 27 2002 CO-203134

Articles of Dissolution

Pursuant to the provisions of the Utah Revised Business Corporation Act or Utah Revised Nonprofit Corporations Act, the undersigned corporation adopts the following Articles of Dissolution:

First: Corporation Name is: Air Crata Block, Inc.

Second: This dissolution was approved by the Shareholders/Member(s).

A. The number of votes entitled to be cast, by voting group, on the proposal for dissolution is:

Voting Group	Number of Votes
Common Shares	4000

B. The total number of votes to be cast for dissolution was: 4000
The total number of votes cast against dissolution was: 0

OR

The total number of votes cast for dissolution by each voting group was _____. This number was sufficient for approval.

Third: This dissolution was authorized by the Shareholders/Member(s) on: September 3, 2001

Fourth: The address of the Corporation's principal office or other address where service of process may be mailed:
9948 South City Lights Cir. South Jordan, Utah 84095

Street Address City State Zip

Under penalties of perjury, I declare that these Articles of Dissolution have been examined by me and are, to the best of my knowledge and belief, true, correct and complete.

By: [Signature] Title: President Dated: 2/26/02

FREE! You may visit our Web Site to access this document and other information.

Division of Corporations and Commercial Code
I hereby declare that the foregoing is true and correct and approved on this 27th day of February, 2002, in the office of the Division and hereby issue this Certificate thereof.

Signature: [Signature] Date: 2/27/02



[Signature]
Division Director

Mail to: S.M. Box 146705
Walk in: 160 East 300 South, Main Floor
Salt Lake City, UT 84114-6705
Corporation's Information Center: (801) 530-4849
Toll Free Number: (877) 526-3994 (Utah Residents)
Fax: (801) 530-6438
Web Site: <http://www.commerce.utah.gov>

WAIVER, RECEIPT AND ACKNOWLEDGMENT

Reference is made to the Asset Purchase Agreement dated September 2, 2001 (the "Agreement") among Advanced Building Systems, Inc., a Nevada corporation ("ABS"), Air Crete Block, Inc., a Utah corporation ("Air Crete"), and certain of the principals of Air Crete.

1. Air Crete hereby waives each of the conditions to Air Crete's obligations contained in Article VIII of the Agreement.

2. Air Crete hereby waives each of the performance requirements in Section 11.17 of the Agreement, and agrees that they shall no longer be in effect.

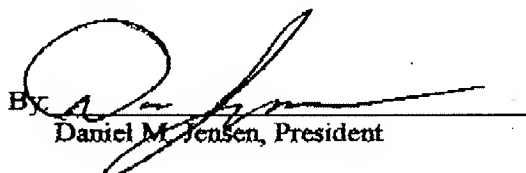
3. Air Crete hereby acknowledges each of the following:

(a) Air Crete has received stock certificate no. 1004, representing 2,200,000 shares (the "Shares") of common stock of ABS.

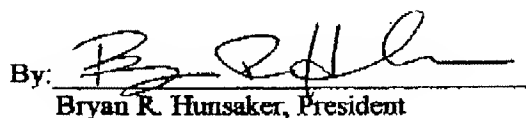
(b) ABS intends to raise funds by issuing shares of its common and/or preferred stock in one or more private placements in the future. The terms of such private placements have not been determined. ABS does not expect that any placement agents will be involved in any such private placements. ABS does not intend to issue any shares in a registered offering or to register for resale any of its outstanding shares.

Dated: February 25, 2002

Air Crete Block, Inc.

By: 
Daniel M. Jensen, President

Advanced Building Systems Inc.

By: 
Bryan R. Hunsaker, President

Employment Agreement

September 30, 2001

THIS EMPLOYMENT AGREEMENT ("Agreement") is entered into by and between Advanced Building Systems, Inc., a Nevada corporation ("ABS") and Daniel Jensen ("Jensen").

It is hereby agreed that the following provisions may be adopted into a binding contract:

1. Salary for Jensen shall be no less than \$96,000.00 per year.
2. Jensen will be issued 50,000 shares each year that he is employed, continuously.
3. Jensen's employment may be terminated by ABS, however in the event of termination Jensen will be issued an additional 1,500,000 shares of common stock prior to ending his employment, and shall be given severance pay for one year equaling the amount of the previous years salary.
4. Jensen shall also be issued an additional 100,000 shares each time an additional ~~fully~~ ^{BA} operational ~~16~~ mold plant is constructed, during the first 5 years, while he is employed with the company.
5. Jensen shall also be paid a management bonus of \$300,000.00 from the proceeds of the first operating plant. This shall come from 40% of the monthly gross profit until paid.
6. Failure of ABS to execute any part of this contract will void any non-compete contract that may be in place between Jensen and ABS

Daniel M. Jensen 

Date SEPT 30, 2001

Advanced Building System

By: 

Its: PRESIDENT

TRANSMITTAL LETTER
(General - Patent Pending)

Docket No.
14904/81US

In Re Application Of: Daniel M. Jensen

Serial No.
09/661,731

Filing Date
September 14, 2000

Examiner
Robert B. Davis

Group Art Unit
1722

Title:

APPARATUS FOR FORMING LIGHTWEIGHT CONCRETE BLOCK

TO THE COMMISSIONER OF PATENTS AND TRADEMARKS:

Transmitted herewith is:

Assignment, together with Form PTO-1595 Cover Sheet
Certificate of Express Mail Label No. ET620097367US
Postcard

In the above identified application.

- ☐ No additional fee is required.
- ☒ A check in the amount of \$40.00 is attached.
- ☒ The Commissioner is hereby authorized to charge and credit Deposit Account No. 194455 as described below. A duplicate copy of this sheet is enclosed.
- ☐ Charge the amount of
- ☐ Credit any overpayment.
- ☒ Charge any additional fee required.


Signature

Dated: May 17, 2002

Kevin B. Laurence
Registration No. 38,219
STOEL RIVES LLP



03528

PATENT TRADEMARK OFFICE

I certify that this document and fee is being deposited on _____ with the U.S. Postal Service as first class mail under 37 C.F.R. 1.8 and is addressed to the Commissioner of Patents and Trademarks, Washington, D.C. 20231.

Signature of Person Mailing Correspondence

Typed or Printed Name of Person Mailing Correspondence

CC:

Express Mailing Label No. ET620097367US

PATENT APPLICATION
Docket No.: 14904/8 US

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:)
)
	Daniel M. Jensen)
)
Serial No.:	09/661,731)
)
Filed:	September 14, 2000)
)
For:	APPARATUS FOR FORMING LIGHTWEIGHT CONCRETE BLOCK)
)
Examiner:	Robert B. Davis)

CERTIFICATE OF EXPRESS MAILING UNDER 37 C.F.R. § 1.10

“Express Mail” Mailing Label No.: ET620097367US

I hereby certify that the following documents are being deposited with the United States Postal Service “Express Mail Post Office to Addressee” service under 37 C.F.R. § 1.10 in an envelope addressed to: Commissioner for Patents and Trademarks, Washington, DC 20231, on this 17TH day of May, 2002:

- Assignment, together with Form PTO-1595 Cover Sheet (50 pgs.)
- Check No. 202368 in the amount of \$40.00 to cover the recording fee
- Transmittal Letter (1 pg.)
- Postcard

Respectfully submitted,

Kevin B. Laurence

Kevin B. Laurence
Attorney for Applicant
Registration No. 38,219



03528

PATENT TRADEMARK OFFICE

TO THE UNITED STATES PATENT AND TRADEMARK OFFICE
PLEASE STAMP AND RETURN. THANK YOU.

Submitted: Assignment, together with PTO Form 1595 Cover Sheet;
Certificate of Express Mailing Label No. ET 620097367US;
Check No. 202368 in the amount of \$40.00 to cover the
recording fee; Transmittal Letter; and, Postcard

Applicant: Daniel M. Jensen
For: APPARATUS FOR FORMING LIGHTWEIGHT
CONCRETE BLOCK

Serial No.: 09/661,731

Int'l Filing Date: September 14, 2000

Docket No.: 14904/8 US

Mailed: May 17, 2002

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Int'l Alpha Country Code	Total Postage & Fees \$ 16.25	
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Kevin B. Lawrence
STOEL RIVES LLP
201 So. Main Street, Suite 1100
Salt Lake City, Utah 84111

Docket No. 14904/8US

TO: (PLEASE PRINT)

PHONE ()

BOX: ASSIGNMENTS
Commissioner for Patents and Trademarks
Washington, D.C. 20231

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Submitted: Assignment, together with PTO Form 1595 Cover Sheet;
Certificate of Express Mailing Label No. ET 620097367US;
Check No. 202368 in the amount of \$40.00 to cover the
recording fee; Transmittal Letter; and, Postcard
Applicant: Daniel M. Jensen
For: APPARATUS FOR FORMING LIGHTWEIGHT
CONCRETE BLOCK
Serial No.: 09/661,731
Int'l Filing Date: September 14, 2000
Docket No.: 14904/8 US
Mailed: May 17, 2002

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STOEL RIVES LLP

ATTORNEYS
Salt Lake City Secretaries Check Account
201 S. Main Street, Suite 1100
Salt Lake City, Utah 84111-4904
(801) 328-3131



KeyBANK NATIONAL ASSOCIATION

24-201/1230

202

Date May 13, 2002

Pay to the order of HONORABLE COMMISSIONER OF PATENTS AND TRADEMARKS \$ 40.00

FORTY DOLLARS***** Dollars

(amount not to exceed \$250.00)

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Kern B. Lawrence

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Kevin B. Laurence
STOEL RIVES LLP
201 So. Main Street, Suite 1100
Salt Lake City, Utah 84111
Docket No. 14904/8US

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Mailing Label

Label 11-B August 2000

**TRANSMITTAL LETTER
(General - Patent Pending)**

Docket No.
14904/8US

In Re Application Of: Daniel M. Jensen

Serial No.
09/661,731

Filing Date
September 14, 2000

Examiner
Robert B. Davis

Group Art Unit
1722

Title:

APPARATUS FOR FORMING LIGHTWEIGHT CONCRETE BLOCK

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Postcard

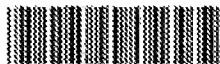
In the above identified application.

- ☐ No additional fee is required.
- ☒ A check in the amount of \$40.00 is attached.
- ☒ The Commissioner is hereby authorized to charge and credit Deposit Account No. 194455 as described below. A duplicate copy of this sheet is enclosed.
- ☐ Charge the amount of
- ☐ Credit any overpayment.
- ☒ Charge any additional fee required.


Signature

Dated: May 17, 2002

Kevin B. Laurence
Registration No. 38,219
STOEL RIVES LLP



03528

PATENT TRADEMARK OFFICE

I certify that this document and fee is being deposited on _____ with the U.S. Postal Service as first class mail under 37 C.F.R. 1.8 and is addressed to the Commissioner of Patents and Trademarks, Washington, D.C. 20231.

Signature of Person Mailing Correspondence

Typed or Printed Name of Person Mailing Correspondence

CC:

Express Mailing Label No. ET620097367US

PATENT APPLICATION
Docket No.: 14904/8 US

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:)
	Daniel M. Jensen)
Serial No.:	09/661,731)
Filed:	September 14, 2000)
For:	APPARATUS FOR FORMING LIGHTWEIGHT CONCRETE BLOCK)
Examiner:	Robert B. Davis)

CERTIFICATE OF EXPRESS MAILING UNDER 37 C.F.R. § 1.10

“Express Mail” Mailing Label No.: ET620097367US ET 620097367 US

I hereby certify that the following documents are being deposited with the United States Postal Service “Express Mail Post Office to Addressee” service under 37 C.F.R. § 1.10 in an envelope addressed to: Commissioner for Patents and Trademarks, Washington, DC 20231, on this 17TH day of May, 2002:

- Assignment, together with Form PTO-1595 Cover Sheet (50 pgs.)
- Check No. 202368 in the amount of \$40.00 to cover the recording fee
- Transmittal Letter (1 pg.)
- Postcard

Respectfully submitted,

Kevin B. Laurence

Kevin B. Laurence
Attorney for Applicant
Registration No. 38,219



03528

PATENT TRADEMARK OFFICE

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To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

AIR CRETE BLOCK, INC.

Additional names(s) of conveying party(ies)

☐ Yes ☒ No

3. Nature of conveyance:

☐ Assignment

☐ Merger

☐ Security Agreement

☐ Change of Name

☒ Other **Asset Purchase Agreement**

Execution Date: **September 30, 2001**

2. Name and address of receiving party(ies):

Name: **ADVANCED BUILDING SYSTEMS, INC.**

Internal Address: _____

Street Address: **444 East 12300 South**

Suite 134

City: **Draper** State: **UT** ZIP: **84020**

Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application number(s) or patent numbers(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s)

09/661,731

B. Patent No.(s)

Additional numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: **Kevin B. Laurence**

Internal Address: **STOEL RIVES LLP**

Street Address: **201 So. Main Street**

Suite 1100

City: **Salt Lake City** State: **UT** ZIP: **84111**

6. Total number of applications and patents involved: **1**

7. Total fee (37 CFR 3.41):.....\$ **40.00**

☒ Enclosed - Any excess or insufficiency should be credited or debited to deposit account

☐ Authorized to be charged to deposit account

8. Deposit account number:

194455

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Kevin B. Laurence

Name of Person Signing

Kevin B. Laurence

Signature

May 17, 2002

Date

Total number of pages including cover sheet, attachments, and document: **50**

ASSET PURCHASE AGREEMENT

among

AIR CRETE BLOCK, INC.

and

DAN JENSEN

and

ADVANCED BUILDING SYSTEMS, INC.

9/02/01

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INDEX TO EXHIBITS

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AGREEMENT

This Agreement is entered into this ____ day of September, 2001 by and among Air Crete Block, Inc. ("Seller"), a Utah corporation, Dan Jensen and Walter Browning, the principals of Seller ("Jensen"), and Advanced Building Systems, Inc., a Nevada corporation ("Buyer").

Preliminary Statements:

The Seller is engaged in the business of manufacturing and marketing a formulated process of aerated, light weight concrete and concrete block ("Air Crete Building Materials") and related activities (the "Business");

The Seller desires to sell or otherwise transfer certain of its assets ("Transferred Assets") and the Business to Buyer, and the Buyer desires to purchase the Transferred Assets and the Business from the Seller.

The Buyer is a recently formed company which has not commenced active operations. The Seller has conducted limited operations. The Buyer and the Seller acknowledge that it is the business plan of the Buyer to (i) acquire the Transferred Assets from the Seller, (ii) attempt to raise sufficient capital to commence and conduct active business operations, (iii) to have a market commence for its common stock. The Seller acknowledges that there can be no assurance that the Buyer's business plan will be effected or successful.

In consideration of these preliminary statements and the mutual covenants, representations, warranties and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

ARTICLE I DEFINITIONS

The following terms shall have the meanings ascribed to them for all purposes of this Agreement.

"Affiliate" shall have the meaning set forth in Rule 12b-2 of the regulations promulgated under the Securities Exchange Act of 1934, as amended.

"Agreement" shall mean this Asset Purchase Agreement.

"Business" shall have the meaning set forth in the Preliminary Statements hereto.

"Buyer" shall mean Advanced Building Systems, Inc., a Nevada corporation.

"Buyer's Indemnitees" shall mean the Seller and its respective officers, directors and employees, and all of such Persons' successors and assigns.

"Closing" shall have the meaning set forth in Section 3.1.

"Closing Date" shall have the meaning set forth in Section 3.1.

"Code" shall mean Internal Revenue Code of 1986, as amended.

"Contracts" shall have the meaning set forth in Section 2.1.

"Damages" shall mean any claim, liability, obligation, loss, damage, assessment, judgment, cost or expense of any kind or character, whether consequential or otherwise, including reasonable attorneys' fees arising out of or in any manner incident, relating or attributable to the items set forth in Section 9.2. and Section 9.4.

"Environmental, Health, and Safety Requirements" shall mean all federal, state, local and foreign statutes, regulations, ordinances and similar provisions having the force or effect of law, all judicial and administrative orders and determinations, and all common law concerning public health and safety, worker health and safety, and pollution or protection of the environment, including without limitation all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control, or cleanup of any hazardous materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, noise or radiation.

"Excluded Assets" shall have the meaning set forth in Section 2.1(b).

"Financial Statements" shall mean the unaudited financial statements of Seller and as of December 31, 2000 internally prepared.

"GAAP" shall mean generally accepted accounting principles.

"Intellectual Property" shall mean all domestic and foreign letters patent, patents, patent applications, patent licenses, software licenses and know-how licenses, trade names, trademarks, copyrights, unpatented inventions, service marks (registered or not), trademark registrations and applications, service mark registrations and applications and copyright registrations and applications, trade secrets or other confidential proprietary information owned or used by the Seller in the operation of the Business.

"Knowledge" means actual knowledge after reasonable investigation.

"Liability" shall mean any liability (whether known or unknown, whether asserted or

unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including any liability for Taxes.

"Licensed Systems" shall mean all products and systems developed by or for the Seller which are licensed, sold, distributed, or otherwise transferred by the Seller to third parties.

"Liens" shall mean all claims, charges, liens, contracts, rights, options, securities interests, mortgages, encumbrances and restrictions whatsoever.

"Material" shall mean having an impact or effect in the amount of at least \$15,000.

"Order" shall have the meaning set forth in Section 4.19.

"Ordinary Course of Business" shall mean the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

"Party" shall mean either (i) the Buyer, or (ii) the Seller.

"Person" shall mean and include an individual, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or other department or agency thereof.

"Proceeding" shall have the meaning set forth in Section 4.19.

"Related Person" shall have the meaning set forth in Section 4.16.

"Seller's Indemnitees" shall mean the Buyer and the respective officers, directors and employees of the Buyer, and their successors and assigns.

"Tax" shall mean any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code §59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

"Tax Return" shall mean any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Transaction" shall mean the sale and purchase of the Transferred Assets provided for and agreed to herein and all other matters and agreements provided for herein.

"Transferred Assets" shall mean all right, title, and interest in and to all of the assets listed on Exhibit "A" attached hereto and by this reference made a part hereof.

ARTICLE II PURCHASE AND SALE OF ASSETS

2.1 Transfer of Assets.

(a) Upon the terms and subject to the conditions set forth in this Agreement, at the Closing Time, the Seller shall transfer to the Buyer, free and clear of all Liens, all of the Transferred Assets as set forth on Exhibit "A" attached hereto, which include, but are not limited to, properties and rights owned by the Seller or in which the Seller has any right or interest in the name "Air Crete", or any derivatives thereof (other than the Excluded Assets), including business agreements, property, accounts receivable, the contracts listed on Schedule 2.1(a) (the "Contracts"), goodwill, patents, patents pending, supplier lists, trademarks, copy rights, customer lists, assignable licenses and permits, processes, service marks, know-how, show-how, formulations, trade secrets, assignable software (including, to the extent owned and transferable, documentation and related source and object codes), assignable licenses thereto, computers and computer equipment, files and other records, systems and processes, security deposits, contracts, arrangements and understandings, oral and written, formal and informal, for work to be performed and/or services to be provided, real estate and interests therein, leasehold and other improvements, machines, machinery, equipment, furniture, fixtures, supplies, all rights and claims under insurance policies and other contracts of whatever nature all of the right, title and interest of the Seller in the name "Air Crete", or any derivatives thereof.

(b) Notwithstanding any provision of this Agreement to the contrary, there shall be excluded from the Transferred Assets and retained by the Seller the assets listed on Schedule 2.1(b) (the "Excluded Assets").

(c) The Seller shall transfer to the Buyer (i) the Transferred Assets (other than the Contracts and Leases) pursuant to a Bill of Sale in substantially the form of Exhibit A; and (ii) the Contracts pursuant to a Contracts Assignment and Assumption Agreement in substantially the form of Exhibit B, and such other documents and instruments as the Buyer or its counsel may reasonably request.

(d) Notwithstanding any provision of this Agreement to the contrary, the Buyer shall assume no liability whatsoever for any taxes due from the Seller or any of its Affiliates.

(e) At any time and from time to time after the Closing Date, at the request of the Buyer and without further consideration, the Seller shall execute and deliver such other instruments of sale, transfer, conveyance, assignment and confirmation as may be reasonably requested in order to more effectively transfer, convey and assign to the Buyer and to confirm the Buyer's title to the Transferred Assets.

2.2 Consideration for the Transferred Assets. In consideration for the transfer of the Transferred Assets, upon the terms and subject to the conditions set forth in this Agreement, the Buyer shall issue Seller 2,200,000 shares of Buyer's \$.001 par value common stock ("ABS Shares"). Buyer shall deliver to Seller certificates for the ABS Shares in exchange for the assignment, transfer and conveyance of the Transferred Assets pursuant to the terms of this Agreement. All stock certificates for ABS Shares issued to Seller at Closing shall contain a legend substantially in the following form:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, (THE "ACT") OR ANY STATE SECURITIES ACT AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (A) COVERED BY AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES ACTS; (B) THE ISSUER HAS BEEN FURNISHED WITH AN OPINION OF COUNSEL ACCEPTABLE TO IT TO THE EFFECT THAT NO REGISTRATION IS LEGALLY REQUIRED FOR SUCH TRANSFER; OR (C) THESE SECURITIES ARE SOLD IN COMPLIANCE WITH RULE 144 PROMULGATED UNDER THE ACT.

The Parties acknowledge that it is the plan and intention of Seller to, subsequent to the Closing Date, liquidate and distribute its assets to its shareholders. As part of such liquidation and distribution of assets, Seller intends to distribute the ABS Shares to its shareholders on a prorata basis. Any such distribution of shares will be effected in accordance with federal and state securities laws.

2.3 No Assumption of Liabilities. Buyer shall not be obligated to pay or assume any liability of Seller or its Affiliates including, but not limited to, any account payable, loan, agreement or claim for damages resulting from personal injury or any other matter occurring prior to the Closing. Without limiting the generality of the foregoing, Buyer shall not assume or become liable to pay, perform or discharge:

(a) Any and all liabilities and obligations of Seller, whether or not reflected on the books and records of Seller on the Closing Date, under any contract, lease, debt, note, negotiable instrument or other written commitment;

(b) Any and all liabilities or obligations of Seller for personal injury (including sickness, trauma, disease, pain and suffering, loss of future earnings, death, punitive damages and the like), property damage, and other damage and injury claims arising out of Seller's (or any predecessor's) conduct of business prior to the Closing, whether or not any claim or litigation has been instituted with respect thereto and whether or not any claim is covered, partially or fully, by insurance.

(c) Any mortgage, security interest, lien or encumbrance of any kind affecting the Transferred Assets;

(d) Any obligations or liability arising from the relationship between Seller and any of its employees, shareholders or agents;

(e) Any obligations or liability of Seller for any federal, state, local or foreign taxes, whenever incurred or accrued, or any interest or penalties with respect thereto;

(f) Any obligation or liability of Seller under any benefit plan, including without limitation, any profit sharing plan or any pension plan;

(g) Any obligation or liability by or on behalf of Seller for any finder's, broker's or advisor's fee and expenses or the like incurred in connection with the transactions contemplated by this Agreement;

(h) Any obligation or liability of Seller arising under this Agreement or the transactions contemplated hereby;

(i) Any obligations or liability arising as a result of the failure or alleged failure of Seller to comply with any applicable local, state or federal law, ordinance, regulation, order or decree including, without limitation, any claim, obligation, liability, loss, damage or expense, of whatever kind or nature, contingent or otherwise, incurred or imposed or based upon any provision of federal, state or local law or regulations or common law, pertaining to health, safety or environmental protection and arising out of any act or omission of Seller, its employees, agents or representatives, or arising out of Seller's ownership, use, control or operation of any facility, site, area or property from which any substance was released into the environment (the term "release" meaning any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment, and the term "environment" meaning any surface or ground water, drinking water supply, land, surface or subsurface strata, or the ambient air); and

(j) Any legal proceedings (and any debts, obligations and liabilities with respect thereto) now pending or hereafter instituted against Seller and any legal proceedings (and any debts, obligations and liabilities with respect thereto) instituted prior to or after the date of this Agreement arising out of the Business prior to the Closing.

2.4 Allocation of Purchase Price. The consideration paid by the Buyer pursuant to Section 2.2 shall be allocated among the Transferred Assets purchased hereunder as set forth on Schedule 2.4 attached hereto. The Seller and the Buyer each hereby covenant and agree that neither of them will take a filing position on any income tax return that is inconsistent with the allocation set forth on Schedule 2.4. Each party shall duly and timely file Form 8594 with its appropriate tax returns.

ARTICLE III CLOSING

9/02/01

3.1 Closing. The closing of the Transaction (the "Closing") shall take place at the offices of Buyer's counsel at 525 East 100 South, Fifth Floor, Salt Lake City, UT, at such time as the parties may agree upon on the third business day following the satisfaction or waiver of all conditions to the obligations of the Parties to consummate the transactions contemplated hereby (other than conditions with respect to actions the respective Parties will take at the Closing itself) or such other date as the Parties may mutually determine (the "Closing Date").

At the Closing, and unless waived by Buyer, Seller will deliver to Buyer:

(a) a general Bill of Sale and Assignment of Contracts duly executed by Seller in the form of Exhibit "A" and Exhibit "B" attached hereto;

(b) all contracts, files and other data and documents pertaining to the Transferred Assets (these items may be delivered, at the option of Buyer, subsequent to Closing);

(c) copies of resolutions duly adopted by the Board of Directors of Seller and shareholders of Seller authorizing and approving Seller's performance of the Transaction and the execution and delivery of this Agreement and the documents described herein, certified as true and of full force and effect as of the Closing by appropriate officers of Seller.

(d) Certificates of existence and good standing of Seller from the State of Utah, dated the most recent practical date prior to Closing.

At any time and from time to time after the Closing, at Buyer's request and without further consideration, the Seller will execute and deliver such other instruments of sale, transfer, conveyance, assignment and confirmation and take such action as may be necessary in order to transfer, convey and assign to Buyer, all of the Transferred Assets, to put Buyer in actual possession and operating control thereof.

3.1.2. At the Closing, and unless otherwise waived in writing by Seller, Buyer shall deliver to Seller the following:

(a) Certificates for the ABS Shares;

(b) Copies of resolutions duly adopted by the Board of Directors of Buyer authorizing and approving its performance of the Transaction and the execution and delivery of this Agreement and the documents described herein, certified as true and of full force as of Closing by the appropriate officer of Buyer;

(c) Certificates of existence and good standing of Buyer from the State of Nevada, dated the most recent practical date prior to Closing.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF THE SELLER

As an inducement to the Buyer to enter into this Agreement and to consummate the transactions contemplated hereby, the Seller, represent and warrant to the Buyer, except as otherwise disclosed in this Agreement or in the case of any representation qualified by its terms to a particular schedule (a "Schedule") attached hereto, such specific Schedule, that the statements made in this Article III will be correct and complete at the date hereof and the Closing Date, provided, however, if there is no execution of this Agreement then no party shall be liable for any inaccuracy.

4.1 Organization and Qualification. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Utah and has all requisite licenses, qualifications, corporate power and authority to own, lease and operate its assets and to carry on the Business in the State of Utah as now being conducted, except where the failure to be so existing and in good standing or to have such qualifications, licenses, power and authority would not in the aggregate have a material adverse effect on the Business, operations or financial condition of such Seller taken as a whole.

4.2 Corporate Power and Authority. The Seller has the full corporate power and authority to execute and deliver this Agreement and to consummate the Transaction. The execution and delivery of this Agreement and the consummation of the Transaction have been duly and validly authorized by the Board of Directors and the shareholders of Seller and have been or will be duly authorized under applicable state corporate law and under the Articles of Incorporation and Bylaws of Seller. No other corporate proceeding on the part of Seller is necessary to authorize this Agreement or to consummate the Transaction by Seller. Subject to the laws of bankruptcy, insolvency, general creditor's rights, and equitable principles, this Agreement has been duly and validly executed and delivered by Seller and constitutes a valid and binding agreement of Seller, enforceable against it in accordance with its terms.

4.3 Validity, Etc. Neither the execution and delivery by the Seller of this Agreement, the consummation by the Seller of the Transaction contemplated hereby or thereby, nor the performance by the Seller of this Agreement and such other agreements in compliance with the terms and conditions hereof and thereof by the Seller will (i) violate, conflict with or result in a breach of any trust agreement, articles of incorporation, bylaw, judgment, decree, order, statute or regulation applicable to the Seller; (ii) violate, conflict with or result in a breach, default or termination (or give rise to any right of termination, cancellation or acceleration) under any law, rule, regulation or any judgment, decree, order, governmental permit, license or order or any of the terms, conditions or provisions of any mortgage, indenture, note, license, agreement or other instrument or obligation to which the Seller is a party; (iii) violate any order, writ, injunction, decree, statute, rule or regulation applicable to the Seller or (iv) result in the creation of any claim upon the Transferred Assets.

4.4 Financial Statements. The Financial Statements and the Interim Financial Statements (a) have been (or will be) prepared in accordance with GAAP consistently applied and were prepared

from the books and records of the Seller and (b) fairly present (or will present) the financial position of the Seller as of the dates thereof and the results of its operations, and in the case of the Audited Financial Statements, the cash flows for the periods ended on the dates thereof. The financial books and records of the Seller are complete and correct in all material respects, only reflect actual transactions of the Seller, and have been made available to the Buyer for examination. Except as set forth on Schedule 4.4, since December 31, 2000 (i) there has been no change in the assets, liabilities or financial condition of the assets of the Seller except for changes in the ordinary course of business consistent with past practice and which have not been materially adverse, and (ii) none of the business, prospects, financial condition, operations, property or affairs of the Seller has been materially adversely affected by any occurrence or development, individually or in the aggregate, whether or not insured against.

4.5 Absence of Undisclosed Liabilities.

(a) Except as set forth on Schedule 4.5, the Seller has no material liabilities or obligations of any nature whatsoever due or to become due, accrued, absolute, contingent or otherwise that are required to be reflected in an audited balance sheet or in the footnotes thereto in accordance with GAAP consistently applied, except for liabilities and obligations incurred since the date thereof in the ordinary course of business and consistent with past practice. The Seller has no Knowledge of, and have no reason to have Knowledge of, any basis for the assertion against the Seller of any liability or obligation not fully reflected or reserved against in the Financial Statement Balance Sheet other than obligations arising under or by virtue of the Contracts.

(b) The Seller is not bound by any agreement, or subject to any charter or other corporate restriction or any legal requirement, which has a material adverse effect on the business or prospects of the Seller.

4.6 Employment and Labor Matters. The Seller is not a party to or bound by any collective bargaining agreement with any labor organization, group or association covering any of its employees. There are no pending or, to the Knowledge of the Seller, threatened charges (by employees, their representatives or governmental authorities) of unfair labor practices or of employment discrimination or of any other wrongful action with respect to any aspect of employment of any person employed or formerly employed by the Seller. To the Knowledge of the Seller and Jensen, the Seller has complied with all material laws and regulations relating to the employment of labor, including any provisions thereof relating to wages, hours, employment practices, terms and conditions of employment, collective bargaining, equal opportunity or similar laws and the payment of social security and similar taxes, and is not liable for any material arrears of wages or any material taxes or penalties for failure to comply with any of the foregoing.

4.7 Real Property. The Seller neither owns nor leases any real property.

4.8 Powers of Attorney, Absence of Limitations on Competition, Guarantees. Except as set forth on Schedule 4.8, (i) no power of attorney or similar authorization given by the Seller

presently is in effect or outstanding; (ii) no contract or agreement to which the Seller is a party or is bound or to which the Seller's properties or assets are subject limits the freedom of the Seller to compete in any line of business or with any Person; and (iii) the Seller is not a party to or bound by any guarantee of any debt or obligation of any other Person.

4.9 Governmental Approvals. No registration or filing with, or consent or approval of or other action by, any Federal, state or other governmental agency or instrumentality is or will be necessary for the valid execution, delivery and performance by the Seller of this Agreement.

4.10 Absence of Adverse Change; Conduct of Business. During the period from December 31, 2000 to and including the Closing Date, except as set forth on Schedule 4.10, the Seller has not, and will not have (i) suffered any adverse change in its condition (financial or otherwise, including any significant loss of employees), assets, liabilities (whether absolute, accrued, contingent or otherwise), operations, business, prospects, customer relationships or relationships with the members of its referral or broker network, (ii) borrowed or agreed to borrow any material amount of funds or incurred any material liability or obligation of any nature (whether accrued, absolute, contingent or otherwise), or guaranteed or agreed to guarantee any obligations of others, (iii) canceled any material indebtedness owing to it or any claims that it might have possessed, waived any material rights of substantial value or sold, leased, encumbered, transferred or otherwise disposed of, or agreed to sell, lease, encumber, or otherwise disposed of its assets or permitted any of its assets to be subjected to any mortgage, pledge, lien, security interest, encumbrance, restriction or charge of any kind, (iv) made any material capital expenditure or commitment therefor, (v) increased its indebtedness for borrowed money or made any loan to any Person, (vi) written off as uncollectible any material notes or Accounts Receivable, except write-offs in the ordinary course of business, (vii) made any material change in any method of accounting or auditing practice, (viii) otherwise conducted its business or entered into any transaction, except in the usual and ordinary manner, or (ix) agreed, whether or not in writing, to do any of the foregoing.

4.11 Certain Practices. None of the Seller, the Seller's directors or officers, or to the knowledge of the Seller, the Seller's employees have, directly or indirectly, used any corporate funds for unlawful contributions, gifts, entertainment, or other unlawful expenses relating to political activity; made any unlawful payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns from corporate funds; violated any provision of the Foreign Corrupt Practices Act of 1977, as amended; established or maintained any unlawful or unrecorded fund of corporate monies or other assets; made any false or fictitious entry on the books or records of the Seller; made any bribe, rebate, payoff, influence payment, kickback, or other unlawful payment; given any favor or gift which is not deductible for federal income tax purposes; or made any bribe, kickback, or other payment of a similar or comparable nature, whether lawful or not, to any Person or entity, private or public, regardless of form, whether in money, business or to obtain special concessions, or to pay for favorable treatment for business secured or for special concessions already obtained.

4.12 Compliance with Law, Licenses and Permits. The Seller has complied in all material respects with all laws, ordinances, legal requirements, rules, regulations and orders applicable to it, its operations, properties, assets, products and services, except when the failure to comply would not have a material adverse effect on the business, financial condition, operations, results of operations, prospects or the Buyer's operation of the Business. The Seller is not aware of any existing or proposed law, rule, regulation or order, whether Federal, state or local, which would prohibit or materially restrict the Buyer from, or otherwise materially adversely affect the Buyer in, conducting the Business in the manner heretofore conducted by the Seller in any jurisdiction in which the Business is now conducted. The Seller possesses all franchises, permits, licenses, certificates, and consents required from any governmental or regulatory authority in order for the Seller to carry on its business as currently conducted and to own and operate its properties and assets as now owned and operated and all of such licenses and permits are set forth on Schedule 4.12.

4.13 Insurance. The Seller has no insurance.

4.14 Outstanding Contracts. Schedule 2.1 sets forth a complete and correct list of all contracts to which the Seller is a party or by which any of its properties or assets are bound. To the Knowledge of the Seller, and subject to the laws of bankruptcy, insolvency, general creditor's rights and equitable principles, all the Leases and Contracts are valid and enforceable in all material respects. Except as set forth on Schedule 2.1, to the Knowledge of the Seller and Jensen, the Seller is not in default under the terms of any outstanding Contract, license, or other commitment which is material to the business, operations, assets, or condition of the Seller, and no event has occurred or circumstances exist which, with notice or lapse of time or both, would constitute a default under any such Contract, license, or other commitment other than any defaults which could not reasonably be expected to have a material adverse effect on the business, assets, operations or financial condition of Seller taken as a whole.

All the Contracts are and, upon assignment to the Buyer and receipt of any necessary consents with respect thereto, will be, valid, binding and enforceable by the Buyer in accordance with their respective terms and in full force and effect. All of the Contracts and Leases are assignable to the Buyer.

4.15 Intellectual Properties. Schedule 4.15 contains an accurate and complete list of all Intellectual Property. Except as set forth on Schedule 4.15 and except for software licensed for use on computers, the Seller owns the entire right, title and interest in and to the Intellectual Property, trade secrets and technology used in the operation of the Business and each item constituting part of the Intellectual Property and trade secrets and technology which is owned by the Seller has been, to the extent indicated on Schedule 4.15, duly registered with, filed in or issued by, as the case may be, the United States Patent and Trademark office or such other government entities, domestic or foreign, as are indicated on Schedule 4.15 and such registrations, filings and issuances remain in full force and effect. There have been and are no pending or, to the Knowledge of the Seller, threatened proceedings or litigation or other adverse claims affecting or with respect to the Intellectual Property. There is, to the Knowledge of the Seller and Jensen, no reasonable basis upon which a claim may be

asserted against the Seller for infringement of any Intellectual Property. To the Knowledge of the Seller, no Person is infringing the Intellectual Property.

4.16 Proprietary Information of Third Parties. Except as disclosed on Schedule 4.16, no third party has claimed or, to the Knowledge of the Seller and Jensen, has reason to claim that any Person employed by or consulting with the Seller ("Related Person") has (i) violated or may be violating any of the terms or conditions of such person's employment, non-competition or non-disclosure agreement with such third party, (ii) disclosed or may be disclosing or utilized or may be utilizing any trade secret or proprietary information or documentation of such third party, or (iii) interfered or may be interfering in the employment relationship between such third party and any of its present or former employees. No third party has requested information from the Seller which suggests that such a claim might be contemplated. Except as disclosed on Schedule 4.16, to the Knowledge of the Seller and Jensen, no Related Person has employed or proposes to employ any trade secret or any information or documentation proprietary to any former employer and no Related Person has violated any confidential relationship that such person may have had with any third party, in connection with the development or sale of any service of the Seller, and the Seller has no reason to believe there will be any such employment or violation.

4.17 Transactions With Affiliates. Except as set forth on Schedule 4.17, no director, officer or shareholder of the Seller, or member of the family of any such person, or any corporation, partnership, trust or other entity in which any such person, or any member of the family of any such person, has a beneficial interest greater than 5% or is an officer, director, trustee, partner or holder of any equity interest greater than 5%, is a party to any transaction with the Seller, including any contract, agreement or other arrangement providing for the employment of, furnishing of services by, rental of real or personal property from or otherwise requiring payments or involving other obligations to any such person or firm.

4.18 Taxes. Except as set forth on Schedule 4.18, all federal, state, local and foreign tax returns, tax reports and all required forms and extensions required to be filed by the Seller on or before the date hereof have been timely filed with the appropriate governmental agencies in all jurisdictions in which such returns and reports are required to be filed and all amounts shown as owing thereon have been paid. All taxes (including income, accumulated earnings, property, sales, use, franchise, excise, license, value added, fuel, employees' income withholding and social security taxes) which have become due or payable or are required to be collected by the Seller or are otherwise attributable to any periods ending on or before the Closing Date (other than income taxes taxable at the shareholder level) and all interest and penalties thereon, whether disputed or not, have been paid or will be paid in full or adequately reflected on the Balance Sheet or the Seller's books and records in accordance with GAAP on or prior to the Closing Date. All deposits required by law to be made by the Seller with respect to employees' withholding taxes have been duly made, and as of the Closing Date all such deposits due will have been made. The Seller has delivered to the Buyer true and complete copies of all of the Seller's federal and state income tax returns for the fiscal period from its inception through June 30, 2001 and all reports and results of income tax audits, if any, related thereto, and will deliver to the Buyer true and complete copies of all of the Seller's federal

and state income tax returns filed through the Closing Date. No examination of any tax return of the Seller is currently in progress. There are no outstanding agreements or waivers extending the statutory period of limitations applicable to any such tax return.

4.19 Litigation. Except as set forth on Schedule 4.19, there is no (i) action, suit, claim, proceeding, or investigation ("Proceeding") pending or, to the Knowledge of the Seller and Jensen, threatened against or affecting the Seller (whether or not the Seller is a party or prospective party thereto), or any property or asset of the Seller, by any Person or governmental authority, which (i) is reasonably likely to have, individually and in the aggregate, a material adverse effect on the business, assets or operations of the Seller taken as a whole or (ii) seeks to delay or prevent the consummation of the transactions contemplated hereby. As of the date hereof, neither the Seller nor any property or assets of the Seller is subject to any outstanding orders, writs, judgments, injunctions or decrees ("Orders"). To the Knowledge of the Seller and Jensen, there is no basis for any claim, action or Proceeding against the Seller which could reasonably be expected to have a material adverse effect on the business, assets, operations or financial condition of the Seller taken as a whole. Except as disclosed on Schedule 4.19, there is no action or suit by the Seller pending or threatened against others.

4.20 Environment, Health, and Safety Matters.

(a) Seller is in compliance with Environmental, Health, and Safety Requirements, except for such noncompliance as would not have a material adverse effect on the financial condition of Seller individually or in the aggregate.

(b) Seller has not received any written notice, report or other information regarding any actual or alleged material violation of Environmental, Health, and Safety Requirements, or any material liabilities or potential material liabilities (whether accrued, absolute, contingent, unliquidated or otherwise), including any investigatory, remedial or corrective obligations, relating to Seller or its facilities arising under Environmental, Health, and Safety Requirements and Seller is not aware of any conditions, circumstances or activities that threaten to result in such liabilities.

(c) This Section 4.20 contains the sole and exclusive representations and warranties of Seller with respect to any environmental, health, or safety matters, including without limitation any arising under any Environmental, Health, and Safety Requirements.

4.21 Broker's or Finder's Fees. No agent, broker, person or firm acting on behalf of the Seller is, or will be, entitled to any commission or broker's or finder's fees from the Seller or from any person controlling, controlled by or under common control with the Seller in connection with any of the transactions contemplated herein.

4.22 Accounts Receivable. To the Knowledge of Seller and Jensen, all of Seller's accounts receivable arose in the Ordinary Course of Business and are "arms length".

4.23 Disclosure. All Documents delivered or to be delivered by or on behalf of the Seller in connection with this Agreement and the transactions contemplated hereby are true, complete and correct in all material respects. Neither this Agreement, nor any of the other Documents contains any untrue statement of a material fact or omits a material fact necessary to make the statements made by the Seller herein or therein, in light of the circumstances in which made, not misleading. There is no fact known to the Seller which materially and adversely affects the business, prospects or financial condition of the Seller or its properties or assets, which has not been set forth in the Documents.

4.24 Names. To the Knowledge of the Seller and Jensen, no other Person or business uses or has the right to use the corporate name "Air Crete Block, Inc." or any variant or derivative thereof in businesses similar to the Business and to the Knowledge of the Seller no Person has ever tried to restrain the Seller from using such names or any variant or derivative thereof.

4.25 Assets Necessary to Business. The Transferred Assets constitute all assets and properties (other than the Excluded Assets) necessary to carry on the business and operations of the Seller as presently conducted except for routine record keeping and administrative functions, and the Parent does not own any assets or properties (other than assets used for routine record keeping and administrative functions) which are being, or have been, used to carry on the business or operations of the Seller as presently conducted.

4.26 Investment Representations. Seller has been fully informed to its complete satisfaction concerning the business, current operations, finances, and all other matters relating to Buyer which it considers significant for the purpose of making an investment decision with respect to the ABS Shares. In particular, it understands that Buyer has not commenced business operations and it must raise significant capital in order to commence active business operations. Seller understands that there can be no assurance that Buyer will be able to raise such capital. Seller has been offered the opportunity to discuss the Buyers affairs with members of its management, to review such documents and records as it consider appropriate, and has received all information which it have requested with respect to Buyer. Seller is fully aware of all of the risks involved in acquiring the ABS Shares. Seller understands that Buyer is a privately held company and that there is no market for its securities and there may be no market in the future. Seller understands that the ABS Shares have not been (i) registered under the Securities Act of 1933 as amended, nor (ii) have they been registered or qualified under the applicable securities laws of any state in the United States, and are being issued in reliance upon the truth and accuracy of the representations made herein with respect to my investment intent and suitability as an investor.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE BUYER

As an inducement to the Seller to enter into this Agreement and to consummate the transactions contemplated hereby, the Buyer represents and warrants to the Seller, except as otherwise disclosed in this Agreement or in the case of any representation qualified by its terms to a particular Schedule attached hereto, such specific Schedule, that the statements made in this Article IV will be correct and complete at the date hereof and the Closing Date, provided, however, if there is no execution of this Agreement then no party shall be liable for any inaccuracy.

5.1 Organization. The Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada and is duly qualified to transact business as a foreign corporation in each jurisdiction in which the failure to so qualify would have a material adverse impact on the Buyer's ability to purchase the Transferred Assets and the Business pursuant to this Agreement and perform its obligations under this Agreement.

5.2 Corporate Power and Authority. The Buyer has the corporate power and authority to execute, deliver and perform this Agreement. The execution, delivery and performance of this agreement and the consummation of the Transaction have been duly authorized and approved by all necessary corporate action of the Buyer. This Agreement has been duly executed and delivered by, and constitute the legal, valid and binding obligation of the Buyer enforceable against the Buyer in accordance with their terms.

5.3 Validity, Etc. Neither the execution and delivery by the Buyer of this Agreement, the consummation by the Buyer of the Transaction, nor the performance by the Buyer of this Agreement in compliance with the terms and conditions hereof and thereof by the Buyer will (i) violate, conflict with or result in any breach of any trust agreement, articles of incorporation, bylaw, judgment, decree, order, statute or regulation applicable to the Buyer, (ii) violate, conflict with or result in a breach, default or termination (or give rise to any right of termination, cancellation or acceleration) under any law, rule or regulation or any judgment, decree, order, governmental permit, license or order or any of the terms, conditions or provisions of any mortgage, indenture, note, license, agreement or other instrument or obligation to which the Buyer is a party, or (iii) violate any order, writ, injunction, decree, statute, rule or regulation applicable to the Buyer.

5.4 Governmental Approvals. No registration or filing with, or consent or approval of or other action by, any Federal, state or other governmental agency or instrumentality is or will be necessary for the valid execution, delivery and performance by the Buyer of this Agreement.

5.5 Broker's or Finder's Fee. No agent, broker, person or firm acting on behalf of the Buyer is, or will be, entitled to any commission or broker's or finder's fees from the Buyer, or from any person controlling, controlled by or under common control with the Buyer, in connection with any of the transactions contemplated herein.

5.6 Disclosure. This Agreement contains no untrue statement of a material fact or omits a material fact necessary to make the statements made by the Buyer herein or therein, in light of the circumstances in which made, not misleading. There is no fact known to the Buyer which may have a material adverse effect on the Buyer's ability to pay or perform its obligations under this Agreement.

ARTICLE VI COVENANTS AND AGREEMENTS

6.1 Information

(a) Access Pending the Closing. The Seller will permit the Buyer and its counsel, accountants and other representatives full access during normal business hours to all of its properties, books, contracts, commitments and records (including the right to conduct any physical inventory or otherwise be present at or participate in any such activity at any time prior to the Closing) and will furnish the Buyer and its representatives during such period with all such information concerning its affairs as the Buyer or its representatives may request.

(b) Access After the Closing. The Seller agree with the Buyer that on and after the Closing Seller will permit the Buyer, its respective representatives (including its counsel and auditors), during normal business hours to have access to and examine and make copies of all books and records of the other which pertain to the Business (including correspondence, memoranda, books of account, payroll records, audit work papers and the like) and which relate to the Transferred Assets.

(c) Record Retention. For a period of six years after the Closing, the Seller agrees that prior to the destruction or disposition of any such books or records pertaining to the Business which relate to the Transferred Assets shall provide not less than 30 nor more than 60 days prior written notice to the Buyer of any such proposed destruction or disposal. If the recipient of such notice desires to obtain any of such documents, it may do so by notifying the Seller in writing at any time prior to the scheduled date for such destruction or disposal. Such notice must specify the documents which the Buyer wishes to obtain. The parties shall then promptly arrange for the delivery of such documents. All out-of-pocket costs associated with the delivery of the requested documents shall be paid by the requesting party.

6.2 Best Efforts. The Seller and the Buyer shall each use best efforts to procure upon reasonable terms and conditions all approvals, completion of all filings, all registrations and certificates, and satisfaction of all other requirements prescribed by law which are necessary for the consummation of the Transaction and the Buyer's ownership and operation of the Business after the Closing Date.

6.3 Tax Returns. The Seller shall prepare and timely file, at its sole expense, all of their required tax returns for all periods ending on or prior to the Closing Date. The Seller shall be responsible for the payment of, and will indemnify, defend and hold the Buyer harmless against all

taxes due or assessed which relate to the operations of the Business for all periods ending on or prior to the Effective Time.

6.4 Conduct of Business.

(a) Prior to the Effective Time, the Seller shall use its best efforts to preserve the possession and control of all of the Transferred Assets and the Business, to preserve the goodwill of the Seller's customers and others with whom it has business relations, to preserve the Seller's relationships with its employees, to preserve the Seller's relationships with the members of its referral and broker network and to do nothing to impair the ability to keep and preserve its Business as it exists on the date of this Agreement.

(b) The Seller will not do or omit to do any act, or permit any act or omission to act, which may cause a material breach of any contract, commitment or obligation of the Seller related to the Transferred Assets or the Business, or any breach of any representation, warranty, covenant or agreement made by the Seller herein.

(c) The Seller will duly comply with all laws applicable to the Business other than laws the noncompliance with which would not have a material adverse effect on the condition (financial or otherwise), assets, liabilities, operations, business or prospects of the Seller or on the Transferred Assets or the Business, and all laws compliance with which is required for the valid effectuation of the transactions contemplated by this Agreement.

6.5 Payment of Liabilities. The Seller shall pay and satisfy in full all of its obligations and liabilities, of any nature whatsoever, which accrue prior or subsequent to the Closing Date.

6.6 Consents. The Seller shall use its best efforts to obtain from the other parties under the Contracts, and from other parties with any interest in other Transferred Assets, consents necessary to the assignment of the Contracts and the Leases to the Buyer without any amendment, modification or change in the terms of such Contracts or Leases, and consents necessary to the transfer of the other Transferred Assets.

6.7 Forbearances. During the period from the date of this Agreement to the Effective Time, the Seller shall not, without the prior written or verbal consent of an authorized officer of the Buyer:

- (a) change its existing policies or business operation in any material respect;
- (b) take any action that would materially impede or delay the consummation of the transactions contemplated by this Agreement;
- (c) increase the salary of its directors, officers or employees;

(d) hire any employee or enter into or modify any employment, consulting or other similar agreements;

(e) dispose of any property or asset, make any contract or agreement, or engage in any transaction, except in the ordinary course of business consistent with prudent business practices;

(f) make any changes in accounting procedures, methods, policies or practices or the manner in which it conducts its business and maintains its records;

(g) except in the ordinary course of business consistent with prudent business practices and existing policy, incur any indebtedness for borrowed money, assume, guarantee, endorse or otherwise as an accommodation become responsible or liable for the obligations of any other individual, corporation or other entity, accelerate payments under any notes receivable or permit or allow any of the Transferred Assets to be mortgaged, pledged or otherwise subjected to any Claim;

(h) terminate or modify any lease, license, permit, contract or other agreement to which it is a party;

(i) make any capital expenditures or commitments in excess of \$15,000 in the

(i) make any capital expenditures or commitments in excess of \$15,000 in the

(i) make any capital expenditures or commitments in excess of \$15,000 in the aggregate for additions to property or equipment, or agree to make any such expenditure or commitment; or

(j) agree in writing or otherwise to take any of the foregoing actions or engage in any activity, enter into any transaction or take or omit to take any other action which would make any of the representations and warranties in Article III of this Agreement untrue or incorrect in any material respect if made anew after engaging in such activity, entering into such transaction, or taking or omitting such other act.

6.8 Non-Competition

(a) During the period commencing on the Closing Date and ending five years from the Closing Date, neither the Seller nor Jensen nor any of their Affiliates will directly or indirectly compete with the Buyer in the Business, engage in any aspect of the Business, undertake to plan or organize any entity that may engage in the Business, or own more than a 1% equity interest in any enterprise that engages in the Business.

(b) Definition of Competition. The term "compete" as used herein includes soliciting or selling any service or product offered in the operation of the Business or customarily offered in any other factoring business.

(c) Enforcement. It is the desire and intent of the parties that the provisions of this Section shall be enforced to the fullest extent permissible under the laws and public policies

applied to each jurisdiction in which enforcement is sought. The invalidity or nonenforceability of this Section 6.8 in any respect shall not affect the validity or enforceability of this Section 6.8 in any other respect or of any other provisions of this Agreement. If any particular provision or portion of this Section is breached by the Seller, the Buyer shall be entitled to an injunction restraining such part from such breach. Nothing herein shall be construed as prohibiting the Buyer from pursuing any other remedies for such breach or threatened breach.

(d) Consideration. The undertakings and covenants of the Seller and Jensen contained in this Section 6.8 are an integral part of the transactions set forth in this Agreement, and the purchase price paid and to be paid by the Buyer pursuant to this Agreement shall be consideration not only for the Transferred Assets but also for the undertakings and covenants of the Seller and Jensen set forth herein.

6.9 Confidential Information. In light of the possibility of irreparable damage to the Buyer if the Seller's confidential knowledge of the business and affairs of the Seller were disclosed to or utilized on behalf of any person, firm, corporation or other business entity which is in competition in any material respect with any line or lines of business of the Seller, the Seller hereby covenants and agrees that for a period of five years after the Closing Date it will not, and it will ensure that none of its affiliates will, without the prior written consent of the Buyer, disclose or use any such confidential information except to authorized representatives of the Buyer.

6.10 No Negotiations. Neither the Seller nor Jensen nor any affiliate thereof will directly or indirectly (through a representative or otherwise) solicit, or furnish information to, any prospective buyer, commence negotiations with any other party or enter into any agreement with any other party concerning the sale of the Transferred Assets, the Seller or any part of the Seller.

6.11 Disclosure Supplements. From time to time prior to the Effective Time, the Seller shall promptly supplement or amend any materials previously disclosed and delivered to the Buyer pursuant hereto with respect to any matter hereafter arising which, if existing, occurring or known at the date of this Agreement, would have been required to be set forth or described in materials previously disclosed to the Buyer or which is necessary to correct any information in such materials which has been rendered materially inaccurate thereby. No such supplement or amendment to such materials shall be deemed to have modified the representations, warranties and covenants of the parties for the purpose of determining whether the conditions set forth in Article VI hereof have been satisfied.

ARTICLE VII CONDITIONS TO THE BUYER'S OBLIGATIONS

The obligations of the Buyer under this Agreement to consummate the other transactions contemplated hereby is subject to the satisfaction, on or before the Closing, of the following conditions, each of which may be waived by the Buyer in its sole discretion:

7.1 Representations and Warranties. The representations and warranties made by the Seller and Jensen in this Agreement, and the statements contained in the Schedules annexed hereto or in any instrument, list, certificate or writing delivered by the Seller pursuant to this Agreement, shall have been true in all material respects when made and at and as of the Closing Date as though such representations and warranties were made at and as of such date, except for any changes permitted by the terms of this Agreement or consented to by the Buyer in writing.

7.2 Performance. The Seller shall have performed and complied with all agreements, obligations and conditions required by this Agreement to be so performed or complied with by it, prior to or at the Closing.

7.3 Officers' Certificate. The Seller shall have delivered to the Buyer a certificate, dated the Closing Date, and executed by two principal executive officers of the Seller certifying to the fulfillment of the conditions specified in Sections 7.1, 7.2, 7.4 and 7.5 hereof.

7.4 Consents. All approvals of applications to public authorities (federal, state or local, domestic or foreign), all consents and approvals of any private persons, and all necessary corporate and shareholder action, if any, the granting or performing of which are necessary, in the reasonable opinion of the Buyer, for the consummation of the transactions contemplated hereby shall have been obtained, and no such approval or action shall contain any condition which materially adversely affects or will materially adversely affect the Transferred Assets or the Business.

7.5 Litigation

(a) There shall be no order, decree or injunction of a court of competent jurisdiction, including the entry of a preliminary or permanent injunction, which (i) prevents or delays the performance by the Buyer, the Seller of its obligations hereunder or (ii) would impose any material limitation on the ability of the Buyer effectively to exercise full rights of ownership of the Transferred Assets, the Business and the goodwill associated therewith.

(b) No action, suit or proceeding before any court or any governmental or regulatory authority shall be pending against the Buyer or the Seller, challenging the validity or legality of the transactions contemplated by this Agreement.

7.6 Closing Documents. The Seller shall have delivered all of the resolutions, certificates, documents and instruments required by this Agreement.

7.7 Corporate and Shareholder Authorization. All corporate and shareholder action necessary to authorize the execution and delivery of this Agreement and consummation of the transactions contemplated hereby shall have been duly and validly taken by the Seller and all affiliates thereof, including approval by all of the shareholders of the Seller.

ARTICLE VIII

CONDITIONS TO THE SELLER'S OBLIGATIONS

The obligation of the Seller to transfer the Transferred Assets to the Buyer and to consummate the other transactions contemplated hereby is subject to the satisfaction, on or before the Closing Date, of the following conditions, each of which may be waived by the Seller in its sole discretion:

8.1 Representations and Warranties. The representations and warranties made by the Buyer in this Agreement shall have been true in all material respects when made and at and as of the Closing Date as though such representations and warranties were made at and as of such date, except for any changes permitted by the terms of this Agreement or consented to by the Seller in writing.

8.2 Performance. The Buyer shall have performed and complied with all agreements, obligations and conditions required by this Agreement to so be performed or complied with by it prior to or at the Closing.

8.3 Officers' Certificate. The Buyer shall have delivered to the Seller a certificate, dated the Closing Date, and executed by two principal executive officers of the Buyer, certifying to the fulfillment of the conditions specified in this Agreement.

8.4 Litigation.

(a) There shall be no order, decree or injunction of a court of competent jurisdiction, including the entry of a preliminary or permanent injunction, which prevents or delays the performance by the Buyer or the Seller of its obligations hereunder.

(b) No action, suit or proceeding before any court or any governmental or regulatory authority shall be pending against the Buyer or the Seller, challenging the validity or legality of the transactions contemplated by this Agreement.

8.5 Closing Documents. The Buyer shall have delivered all of the resolutions, certificates, documents and instruments required by this Agreement.

8.6 Consents. All approvals of applications to public authorities (federal, state or local, domestic or foreign), all consents and approvals of any private persons, and all necessary corporate and shareholder action, if any, the granting or performing of which are necessary for the consummation of the transactions contemplated hereby shall have been obtained.

ARTICLE IX

INDEMNIFICATION

9.1 Survival. All representations, warranties, agreements and covenants in this Agreement shall survive the Closing of the purchase of the Transferred Assets contemplated hereby and any investigation at anytime made by or on behalf of any party for a period of five years and all such representations and warranties, agreements and covenants shall expire on the second anniversary of the Closing Date. Notwithstanding anything else contained herein to the contrary, tax and environmental claims, shall survive for the full period of the applicable statute of limitations, and until finally resolved and satisfied in full if asserted on or prior to the expiration of any such period. The representations and warranties shall not be affected or otherwise diminished by any investigation at any time by or on behalf of the party for whose benefit such representations and warranties were made.

9.2 Indemnification by the Seller. Subject to the terms herein, the Seller, shall indemnify, defend and hold the Seller's Indemnitees harmless from, against and with respect to any Damages, arising out of or in any manner incident, relating or attributable to:

(a) Any inaccuracy in any representation or breach of any warranty of the Seller contained in this Agreement;

(b) Any failure by the Seller to perform or observe, or to have performed or observed, in full, any covenant, agreement or condition to be performed or observed by it under this Agreement;

(c) Reliance by the Buyer on any books or records of the Seller or written information furnished to the Buyer pursuant to this Agreement by or on behalf of the Seller in the event that such books and records or written information are false or materially inaccurate; or

(d) Material Liabilities or obligations of, or claims against, the Buyer (whether absolute, accrued, contingent or otherwise) relating to, or arising out of, the sale and transfer of the Business hereunder, the operation of the Business prior to the Closing Date or facts and circumstances relating specifically to the Business, or the Seller existing at or prior to the Closing Date, whether or not such liabilities, obligations or claims were known on such date.

(e) Liabilities or obligations of, or claims against, the Buyer (whether absolute, accrued, contingent or otherwise) relating to, or arising out of, any action of the Seller or the Parent relating to the operation of the Business subsequent to the Closing Date.

9.3 Notice to the Seller, Etc. If any of the matters as to which the Seller's Indemnitees are entitled to receive indemnification under Section 9.2 should entail litigation with or claims asserted by parties other than the Seller, the Seller shall be given prompt notice thereof and shall have the right, at their expense, to control such claim or litigation upon prompt notice to the Buyer of their election to do so. To the extent requested by the Seller, the Buyer, at its expense, shall cooperate

with and assist the Seller, in connection with such claim or litigation. The Seller shall have final authority to determine all matters in connection with such claim or litigation; provided, however, that the Parent and the Seller shall not settle any third-party claim without the consent of the Buyer, which shall not be unreasonably denied or delayed.

9.4 Indemnification by the Buyer. The Buyer shall indemnify, defend and hold the Buyer's Indemnitees harmless from, against and with respect to any Damages arising out of or in any manner incident, relating or attributable to:

(a) Any inaccuracy in any representation or breach of warranty of the Buyer contained in this Agreement;

(b) Any failure by the Buyer to perform or observe, or to have performed or observed, in full, any covenant, agreement or condition to be performed or observed by it under this Agreement of the Documents;

(c) Reliance by the Seller on any books or records of the Buyer or reliance by the Seller on any written information furnished to the Seller pursuant to this Agreement by or on behalf of the Buyer in the event that such books and records or written information are false or inaccurate; or

(d) The failure of the Buyer to pay or perform under the assumed Contracts and subsequent to the Closing Date.

Provided, however, the Buyer's Indemnitees shall not be entitled to indemnification hereunder until Damages in total exceed \$15,000 and then only to the extent of aggregate damages in excess of \$15,000.

9.5 Notice to Buyer, Etc. If any of the matters as to which the Buyer's Indemnitees are entitled to receive indemnification under Section 9.1 should entail litigation with or claims asserted by parties other than the Buyer, the Buyer shall be given prompt notice thereof and shall have the right, at its expense, to control such claim or litigation upon prompt notice to the Seller of its election to do so. To the extent requested by the Buyer and the Seller, at their expense, shall cooperate with and assist the Buyer, in connection with such claim or litigation. The Buyer shall have final authority to determine all matters in connection with such claim or litigation; provided, however, that the Buyer shall not settle any third-party claim without the consent of the Parent, which shall not be unreasonably denied or delayed.

ARTICLE X TERMINATION

10.1 Termination of Agreement. This Agreement may be terminated at any time prior to the Closing:

- (i) by mutual agreement of the Seller and the Buyer;
- (ii) by the Buyer, if there has been a material violation or breach by the Seller of any of its agreements, representations or warranties contained in this Agreement which has not been waived in writing or if there has been a material failure of satisfaction of a condition to the obligations of the Buyer which has not been waived in writing and, in each case, which has not been cured within 30 days after written notice thereof is given to the Seller;
- (iii) by the Seller, if there has been a material violation or breach by the Buyer of any of the agreements, representations or warranties contained in this Agreement which has not been waived in writing or if there has been a material failure of satisfaction of a condition to the obligations of the Seller hereunder which has not been waived in writing and, in each case, which has not been cured within 30 days after written notice thereof is given to the Buyer; and
- (iv) by any party hereto if the Closing shall not have occurred on or before October 31, 2001 (provided, that the terminating party is not then in material breach of any representation, warranty, covenant or agreement contained herein or in any schedule or document delivered pursuant thereto).

10.2 Specific Performance and Other Remedies. The parties acknowledge that their respective rights to consummate the transactions contemplated hereby are special, unique and of extraordinary character. Each party agrees, therefore, that if it violates or fails and/or refuses to perform any covenant or agreement made by it herein, the other party or parties may, in addition to any remedies at law for damages or other relief, institute and prosecute an action to enforce specific performance of such covenant or agreement or seek any other equitable relief. In addition to any and all equitable remedies, the breaching Party shall pay to the non-breaching Party an amount equal to the sum of all the expenses of the non-breaching Party related to this Agreement.

10.3 Effect of Termination. Upon the termination of this Agreement, no party shall have any further obligation to any other party, except that if a non-breaching Party shall properly terminate this Agreement because of a material violation, breach or failure of the other Party pursuant to Section 10.1 (ii) or (iii), then the breaching Party shall promptly pay to the non-breaching Party agreed-upon liquidated damages of \$7,500 in cash in immediately available funds; if such material violation, breach or failure is willful then the breaching Party shall also pay to the non-breaching Party an amount equal to the sum of all the expenses of the non-breaching Party related to this Agreement.

**ARTICLE XI
MISCELLANEOUS**

11.1 Notices. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) sent by recognized overnight courier, (iii) made by telecopy or facsimile transmission, or (iv) sent by registered or certified mail, return receipt requested, postage prepaid.

If to the Buyer:

Advanced Building Systems, Inc.
12091 South Cattail Cir.
Draper, Ut 84020
Attn: Bryan Hunsaker
Chief Executive Officer and President
Fax No. (801) 501-0124

If to the Seller:

Air Crete Block, Inc.
9948 So. City Lights Cir.
South Jordan, Ut 84095
Attn: Dan Jensen
President
Fax No. (801) 282-4323

All notices, requests, consents and other communications hereunder shall be deemed to have been given (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, (iii) if made by telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, or (iv) if sent by registered or certified mail, on the fifth business day following the day such mailing is sent. The address of any party herein may be changed at any time by written notice to the parties.

11.2 Entire Agreement. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede all prior oral or written agreements and understandings relating to the subject matter hereof.

11.3 Modifications and Amendments. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by all parties hereto.

11.4 Assignment/Binding Effect. Neither this Agreement, nor any right hereunder, may be assigned by any of the parties hereto without the prior written consent of the other parties. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

11.5 Parties in Interest. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than the Buyer or the Seller, any rights or remedies of any nature whatsoever under or by reason of this Agreement except their respective successors and permitted assigns. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no other person or entity shall be regarded as a third-party beneficiary of this Agreement.

11.6 Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the internal laws of the State of Utah without giving effect to the conflict of law principles thereof.

11.7 Arbitration. Any dispute or difference between the parties hereto arising out of or relating to this Agreement shall be finally settled by arbitration in accordance with the Commercial Rules of the American Arbitration Association by a panel of three qualified arbitrators. The Seller and the Buyer shall each choose an arbitrator and the third shall be chosen by the two so chosen. If either the Seller or the Buyer fails to choose an arbitrator within 30 days after notice of commencement of arbitration or if the two arbitrators fail to choose a third arbitrator within 30 days after their appointment, the American Arbitration Association shall, upon the request of any party to the dispute or difference, appoint the arbitrator or arbitrators to constitute or complete the panel as the case may be. Arbitration proceedings hereunder may be initiated by either, the Seller or the Buyer making a written request to the American Arbitration Association, together with any appropriate filing fee, at the office of the American Arbitration Association in Dallas. All arbitration proceedings shall be held in Salt Lake City, Utah. Any order or determination of the arbitral tribunal shall be final and binding upon the parties to the arbitration and may be entered in any court having jurisdiction.

11.8 Severability. In the event that any arbitral tribunal of competent jurisdiction shall finally determine that any provision, or any portion thereof, contained in this Agreement shall be void or unenforceable in any respect, then such provision shall be deemed limited to the extent that such arbitral tribunal determines it enforceable, and as so limited shall remain in full force and effect. In the event that such arbitral tribunal shall determine any such provision, or portion thereof, wholly unenforceable, the remaining provisions of this Agreement shall nevertheless remain in full force and effect.

11.9 Interpretation. The parties hereto acknowledge and agree that: (i) the rule of construction to the effect that ambiguities are resolved against the drafting party shall not be

employed in the interpretation of this Agreement, and (ii) the terms and provisions of this Agreement shall be construed fairly as to all parties hereto and not in favor of or against any party, regardless of which party was generally responsible for the preparation of this Agreement.

11.10 Headings and Captions. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect, or be considered in construing or interpreting the meaning or construction of any of the terms or provisions hereof.

11.11 Reliance. The parties hereto agree that, notwithstanding any right of any party to this Agreement to investigate the affairs of any other party to this Agreement, the party having such right to investigate shall have the right to rely fully upon the representations and warranties of the other party expressly contained herein. Notwithstanding the above, any breach which is waived in writing by the non-breaching party shall not be deemed a breach of this Agreement.

11.12 Expenses. Each party shall pay its own fees and expenses (including the fees of any attorneys, accountants, appraisers or others engaged by such party) incurred in connection with this Agreement and the transactions contemplated hereby whether or not the transactions contemplated hereby are consummated.

11.13 Gender. All pronouns and any variation thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or entity or the context may require.

11.14 Publicity. No party shall issue any press release or otherwise make any public statement with respect to the execution of, or the transactions contemplated by, this Agreement without consulting with the other parties prior thereto and except as may be required by law.

11.15 Counterparts. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11.16 Schedules, Exhibits and Amendments. Disclosure in any Schedule of any allegations with respect to any alleged failure to perform, or breach or default of a contractual or other duty or obligation shall not be deemed an admission to any party other than a party hereto that such has in fact occurred, but shall be effective for the purposes for which such Schedule is intended as if such had in fact occurred.

11.17 Buyers Performance Buyer must perform any one of the following events within 6 months of the transfer of all of the sellers identified assets.

1. ABS shall secure a minimum \$1,000,000 or,

2. Secure a signed contract with the Venezuelan parties and begin implementation of the production process or,

3. Begin production and execute sales of the block.

In the event that ABS is unsuccessful in their performance all remaining transferred assets which have not been spent in the normal course of business, including all transferred Intellectual Properties, shall be returned to Air Crete and Jensen. The performance schedule may be extended or altered at any time if agreed upon in writing by both the Buyer and the Seller or Jensen.

IN WITNESS WHEREOF, the Buyer and the Seller have each caused this Agreement to be executed by its duly authorized officer all as of the day and year first above written.

Buyer:

ADVANCED BUILDING SYSTEMS, INC.,
a Nevada corporation

By: 

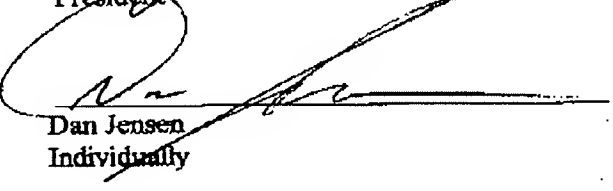
Bryan R. Hunsaker
President

Seller:

AIR CRETE BLOCK, INC.,
a Utah corporation

By: 

Dan Jensen
President


Dan Jensen
Individually

Walter Browning
Individually

9/02/01

Exhibit "A"

Air Crete Assets Bill of Sale

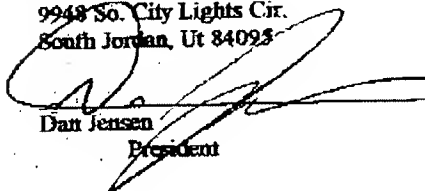
Air Crete Block hereby agrees to sell the following Assets to Advanced Building Systems (ABS), for the sum of 2,200,000 shares of ABS stock. Details of this transaction are outlined in the Asset Purchase Agreement.

Forklift
Cement Screws
Air Compressor
Hot Water Boiler & Plumbing
Hydraulic gates for hoppers
2 Silos
Weigh equipment and scales & Relays
PLC, Electrical panel, Sensors
Water pumps
Oil pump
Hydraulic motor, reservoir & supply lines
Mold release system
Material discharge hopper
Hopper washout system
Mold hopper
Mold
Conveyor system
Foam Generators (2)
Foam storage tank & Sensors
Overhead conveyor system
Sand Hopper
Automation Program
Trade Secrets
Patents
Patents Pending
Foaming agent formulation
Block production process

This list represents substantially all of the Air Crete Assets. Additional Assets may be added at any time by written agreement between Air Crete and ABS.

Seller:

Air Crete Block, Inc.
9948 So. City Lights Cir.
South Jordan, Ut 84093


Dan Jensen
President

Buyer:

Advanced Building Systems
12091 S. Cattail Cir.
Draper, Ut 84020

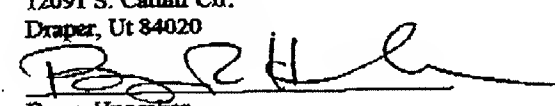

Bryan Hunsaker
President

Exhibit "B"
Contracts Assignment and Assumption Agreement

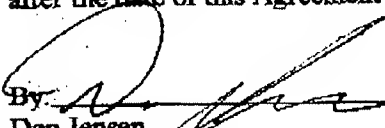
This Agreement is entered into this ____ day of September, 2001 by and among Air Crete Block, Inc. ("Seller"), a Utah corporation, Dan Jensen and Advanced Building Systems, Inc., a Nevada corporation ("Buyer").


Transfer of Assets

Upon the terms and subject to the conditions set forth in this Agreement, at the Closing Time, the Seller shall transfer to the Buyer, free and clear of all Liens, all of the Transferred Assets as set forth on Exhibit "A" attached hereto in the name "Air Crete", or any derivatives thereof, which include, but are not limited to, properties and rights owned by the Seller or in which the Seller has any right or interest, including business agreements, property, accounts receivable, goodwill, patents, patents pending, supplier lists, trademarks, copy rights, customer lists, assignable licenses and permits, processes, service marks, know-how, show-how, formulations, trade secrets, assignable software (including, to the extent owned and transferable, documentation and related source and object codes), assignable licenses thereto, computers and computer equipment, files and other records, systems and processes, security deposits, contracts, arrangements and understandings, oral and written, formal and informal, for work to be performed and/or services to be provided, real estate and interests therein, leasehold and other improvements, machines, machinery, equipment, furniture, fixtures, supplies, all rights and claims under insurance policies and other contracts of whatever nature all of the right, title and interest of the Seller in the name "Air Crete", or any derivatives thereof.

No Assumption of Liabilities

Buyer shall not be obligated to pay or assume any liability of Seller or its Affiliates including, but not limited to, any account payable, loan, agreement or claim for damages resulting from personal injury or any other matter occurring prior to the Closing. Any and all liabilities or obligations of Seller for personal injury (including sickness, trauma, disease, pain and suffering, loss of future earnings, death, punitive damages and the like), property damage, and other damage and injury claims arising out of Seller's (or any predecessor's) conduct of business prior to the Closing, whether or not any claim or litigation has been instituted with respect thereto and whether or not any claim is covered, partially or fully, by insurance, any mortgage, security interest, lien or encumbrance of any kind affecting the Transferred Assets. Any obligations or liability arising from the relationship between Seller and any of its employees, shareholders or agents. Any obligations or liability of Seller for any federal, state, local or foreign taxes, whenever incurred or accrued, or any interest or penalties with respect thereto. Any obligation or liability of Seller arising under this Agreement or the transactions contemplated hereby. Any obligations or liability arising as a result of the failure or alleged failure of Seller to comply with any applicable local, state or federal law, ordinance, regulation, order or decree. Any legal proceedings (and any debts, obligations and liabilities with respect thereto) now pending or hereafter instituted against Seller and any legal proceedings (and any debts, obligations and liabilities with respect thereto) instituted prior to or after the date of this Agreement arising out of the Business prior to the Closing.

By: 
Dan Jensen
President, Seller

By: 
Bryan R. Hunsaker
President, Buyer

BILL OF SALE

THIS BILL OF SALE (this "Bill of Sale") is made as of September 2, 2001, by AIR CRETE BLOCK, INC., a Utah corporation ("Seller"), in favor of ADVANCED BUILDING SYSTEMS, INC., a Nevada corporation ("Buyer").

Recitals

A. Seller and Buyer have entered into an Asset Purchase Agreement dated September 2, 2001 (the "Agreement"), pursuant to which Buyer is purchasing from Seller, and Seller is selling to Buyer, the Transferred Assets (as defined in the Agreement).

B. For good and valuable consideration, the adequacy and receipt of which are hereby acknowledged by Seller, Seller is giving this Bill of Sale for the purpose of effecting such purchase and sale pursuant to the provisions of the Agreement.

NOW, THEREFORE, Seller hereby agrees as follows:

1. Sale of Transferred Assets. Seller hereby irrevocably and unconditionally sells, conveys, assigns, transfers and delivers to Buyer, its successors and assigns, all right, title and interest in and to all of the Transferred Assets, as that term is defined in the Agreement, including, without limitation, the Transferred Assets identified on Exhibit A attached hereto, but excluding any intellectual property.

2. No Rights in Third Parties. Nothing expressed or implied in this Bill of Sale is intended to confer upon any person, other than the parties to the Agreement and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Bill of Sale.

3. Successors and Assigns. This Bill of Sale is executed pursuant to the Agreement and is entitled to the benefits thereof and shall be binding upon and inure to the benefit of Seller and Buyer and their respective successors and assigns.

4. Governing Law. This Bill of Sale shall be governed in accordance with the laws of the State of Utah, excluding the choice of law provisions thereof.

5. No Amendments. No amendments to this Bill of Sale shall be effective unless made in writing and signed by Buyer and Seller.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of the date first above written.

AIR CRETE BLOCK, INC.

By: 

Title: PRES.

EXHIBIT A

(Attached to and forming a part of the Bill of Sale made as of
September 2, 2001, by Air Crete Block, Inc., a Utah corporation,
in favor of Advanced Building Systems, Inc., a Nevada corporation)

Forklift
Cement Screws
Air Compressor
Hot Water Boiler & Plumbing
Hydraulic gates for hoppers
2 Silos
Weigh equipment and scales & Relays
PLC, Electrical panel, Sensors
Water pumps
Oil pump
Hydraulic motor, reservoir & supply lines
Mold release system
Material discharge hopper
Hopper washout system
Mold hopper
Mold
Conveyor system
Foam Generators (2)
Foam storage tank & Sensors
Overhead conveyor system
Sand Hopper

ADVANCED BUILDING SYSTEMS, INC.
130 East Main Street
Heber City, UT 84032

July 25, 2001

Mr. Dan Jensen, President

Air Crete Block, Inc.
552 South Gladiola Street, Building B
Salt Lake City, Utah 84104

Re: Letter of Intent

Dear Mr. Jensen:

We believe that this Letter of Intent sets forth the key terms of a transaction (the "Transaction"), which has been developed through several discussions between Advanced Building Systems, Inc. ("ABS") and Air Crete Block, Inc. ("Air Crete"). This Letter of Intent is sent as a proposed, non-binding Letter of Intent that sets forth the key deal points for a possible Transaction between the parties. The Transaction described herein will be subject to shareholder and/or director approval of both companies, to compliance with all applicable laws, rules and regulations and to the execution of a definitive Asset Purchase Agreement.

Background Information Regarding ABS

ABS is a recently formed, private held company. ABS was recently incorporated in the State of Nevada and is currently in good standing. ABS is currently an inactive company and has no operations. ABS's assets consist of a limited amount of cash. ABS's business plan is to attempt to acquire assets from one or more operating companies through the issuance of its securities. ABS's authorized capital consists of 100,000,000 shares of \$.001 par value common stock and 5,000,000 shares of preferred stock. We anticipate that immediately prior to the consummation of the Transaction, there will be approximately 19,800,000 shares of ABS common stock issued and outstanding. There are no shares of preferred stock issued and we have no current plans to issue shares of preferred stock in foreseeable future. There is currently no market for shares of ABS common stock and there can be no assurance that any market will every develop, or if developed, that it would be sustained. In order for ABS's business plan to be effected, we must raise a significant amount of cash. There can be no assurance that we will be able to raise such cash.

Transaction

The Transaction we propose provides for the sale by Air Crete of certain assets (listed in Exhibit "A" attached hereto and by this reference made a part hereof) to ABS in exchange for 2,200,000 shares of ABS common stock. We anticipate that at the closing of the Transaction, the 2,200,000 shares would represent approximately 10% of the total ABS shares issued and

outstanding. One of our conditions for the purchase of the Air Crete assets is that all shareholders of Air Crete would be required to vote in favor of the sale of assets.

Subsequent to the closing of the Transaction, Air Crete would liquidate, distribute the 2,200,000 ABS shares to its shareholders and thereafter dissolve.

Private Placement

ABS intends to offer and sell additional shares of its common stock for cash in a private offering and attempt to raise a minimum of \$1,500,000 and a maximum of \$4,000,000. We anticipate that these shares would be offered at a price of \$1.00 per share. The principal of, ACAP Financial, an NASD registered broker-dealer, has indicated that ACAP is interested in serving as the Placement Agent in such private offering.

SEC Registration and Lockup

We anticipate that following the closing of the Transaction and the completion of the private placement, that ABS would file a registration statement with the SEC to register the shares issued in the private placement as well as the 2,200,000 shares issued by ABS to Air Crete. At the time of the registration with the SEC, we anticipate that the 2,200,000 shares issued to Air Crete would have been distributed by Air Crete to its shareholders on a prorata basis. ABS shares distributed by Air Crete to the following shareholders of Air Crete would be subject to a lockup agreement: Dan Jensen, Julie Jensen, Walter Browning, and Donna Browning. The lockup agreement would restrict from sale or transfer for a period of two years, the ABS shares owned by these persons. Following the effective date of the registration, ABS would be required to file reports with the SEC including but not limited to Form 10-KSB, Form 10-QSB, and Form 8-K. We anticipate that after the registration statement is declared effective, that we will attempt to have a public market developed for our shares of common stock.

Management

The management of ABS will, for the foreseeable future consists of Bryan Hunsaker, Douglas P. Morris and Ziad Hakim.

Conditions Precedent

The Transaction proposed herein is subject to the following conditions:

- A. The decision of both parties to proceed with the Transaction after completion of due diligence and analysis.
- B. The execution of definitive Asset Purchase Agreements in such form as agreed to by the parties.
- C. Compliance with all applicable federal securities laws and state corporate and securities laws.

D. The approval of the Transaction by all of the shareholders of Air Crete.

E. The delivery of such documents and information as is reasonably requested by each party.

News Releases and Communications.

As soon as practicable after the date of execution hereof, ABS and Air Crete may issue a press release or otherwise communicate to their shareholders, the financial community, and other interested parties in order to provide disclosure of the proposed transaction. A party desiring to make such disclosure shall obtain the approval of the other party, prior to distribution thereof. Such approval will not be unreasonably withheld.

Conduct of Business

The parties hereto hereby agree to conduct their business in accordance with the usual and normal course of business heretofore conducted by the companies. Thus, there will be no material adverse changes in the business of either company from the date hereof until the closing of this transaction and there will be no changes in either company's Articles of Incorporation or Bylaws except as contemplated hereby or in the definitive Agreement.

Assistance

Each of the parties hereto agree to take whatever reasonable steps are required to facilitate the consummation the other party's analysis and due diligence relative to the Transaction.

Termination

The Letter of Intent shall automatically terminate ten (10) days after the date hereof unless accepted by you and, after acceptance, shall terminate on August 31, 2001, unless extended by the written agreement of the parties hereto. Even if both parties sign this Letter of Intent, there is no obligation for either party to complete the Transaction. On termination, neither party shall have any further obligation to the other under this agreement.

Mr. Dan Jensen

July 25, 2001

Page 4

7/30/01
This letter sets forth our understanding of the proposed terms of the transaction and is not a binding agreement on either party. If it represents your understanding of the terms of our preliminary agreement, please sign on the below-designated line and send us a copy.

ADVANCED BUILDING SYSTEMS, INC.

By




Bryan Hunsaker, President

The Undersigned, President of Air Crete Block, Inc., hereby agrees this Letter of Intent sets forth our preliminary agreement regarding the matters set forth herein.

Dated: 7-30-01

AIR CRETE BLOCK, INC.

By



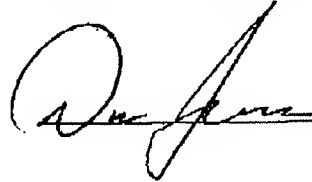
Dan Jensen, President

Air Crete Block, Inc
9948 So. City Lights Circle
South Jordan, Utah 84095

BOARD OF DIRECTORS RESOLUTION

The Board of Directors of Air Crete, by a unanimous vote, has determined that the Sale Proposal, and the related transactions contemplated by the Letter of Intent, is in the best interests of Air Crete and its stockholders. The Board of Directors of Air Crete recommends that you vote in favor of the Sale Proposal.

By order of the Board of Directors,

 President

Salt Lake City, Utah
(Date 8-9-01)

Appendices

Appendix A Letter of Intent
Appendix B Board of Directors Resolution dated _____
Appendix C Information Statement

ASSIGNMENT OF INTELLECTUAL PROPERTY

THIS ASSIGNMENT OF INTELLECTUAL PROPERTY ("this Assignment") is made as of November 2, 2001, by AIR CRETE BLOCK, INC., a Utah corporation ("Seller"), in favor of ADVANCED BUILDING SYSTEMS, INC., a Nevada corporation ("Buyer").

Recitals

A. Seller and Buyer have entered into an Asset Purchase Agreement dated September 2, 2001 (the "Agreement"), pursuant to which Buyer is purchasing from Seller, and Seller is selling to Buyer, the Transferred Assets (as defined in the Agreement).

B. For good and valuable consideration, the adequacy and receipt of which are hereby acknowledged by Seller, Seller is giving this Assignment for the purpose of effecting such purchase and sale pursuant to the provisions of the Agreement.

NOW, THEREFORE, Seller hereby agrees as follows:

1. Sale of Intellectual Property. Seller hereby irrevocably and unconditionally sells, conveys, assigns, transfers and delivers to Buyer, its successors and assigns, all right, title and interest in and to all of the intellectual property owned by Seller or in which Seller has any right or interest, including, without limitation, all patents, patents pending, trademarks, copyrights, service marks, licenses, permits, processes, know-how, show-how, formulations, trade secrets, software (including documentation and related source and object codes), web sites and files, records and other data, the name "Air Crete" and any derivatives thereof, the domain name "aircrete.com" and the web site www.aircrete.com, and including, without limitation, the intellectual property identified on Exhibit A attached hereto.

2. No Rights in Third Parties. Nothing expressed or implied in this Assignment is intended to confer upon any person, other than the parties to the Agreement and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Assignment.

3. Successors and Assigns. This Assignment is executed pursuant to the Agreement and is entitled to the benefits thereof and shall be binding upon and inure to the benefit of Seller and Buyer and their respective successors and assigns.

4. Governing Law. This Assignment shall be governed in accordance with the laws of the State of Utah, excluding the choice of law provisions thereof.

5. No Amendments. No amendments to this Assignment shall be effective unless made in writing and signed by Buyer and Seller.

[Signature page follows]

IN WITNESS WHEREOF, Seller has executed this Assignment as of the date first above written.

AIR CRETE BLOCK, INC.

By: 

Title: PRES.

EXHIBIT A

(Attached to and forming a part of the Assignment of Intellectual Property made as of September 2, 2001, by Air Crete Block, Inc., a Utah corporation, in favor of Advanced Building Systems, Inc., a Nevada corporation)

Automation Program

Trade Secrets

Patents

Patents Pending

Foaming agent formulation

Block production process

Design Patent No. D-429822 (filed September 15, 1999) (Building Unit)

Patent Pending No. 09-396602 (filed September 15, 1999) (Lightweight Concrete Building Unit)

Patent Pending No. 09-396594 (filed September 15, 1999) (Method and Apparatus for Forming Lightweight Concrete Block)


Patent Pending No. 09-661731 (filed September 14, 2000) (Apparatus for Forming Lightweight Concrete Block)

Air Crete Block, Inc
9948 So. City Lights Circle
South Jordan, Utah 84095

BOARD OF DIRECTORS RESOLUTION

The Board of Directors of Air Crete, by a unanimous vote, has determined that the Sale Proposal, and the related transactions contemplated by the Letter of Intent, is in the best interests of Air Crete and its stockholders. The Board of Directors of Air Crete recommends that you vote in favor of the Sale Proposal.

By order of the Board of Directors,

 President

Salt Lake City, Utah
(Date 8-9-01)



State of Utah
DEPARTMENT OF COMMERCE
Division of Corporations & Commercial Code

☐ Profit Corporation
☐ Nonprofit Corporation

RECEIVED

**** This form must be type written or computer generated**

FEB 27 2002 CO-203134

Articles of Dissolution

See ORC of Utah, § 30A-2-101

Pursuant to the provisions of the Utah Revised Business Corporation Act or Utah Revised Nonprofit Corporations Act, the undersigned corporation adopts the following Articles of Dissolution:

First: Corporation Name is: Air Crest Block, Inc.

Second: This dissolution was approved by the Shareholders/Member(s).

A. The number of votes entitled to be cast, by voting group, on the proposal for dissolution is:

Voting Group	Number of Votes
Common Shares	4000

B. The total number of votes to be cast for dissolution was: 4000

The total number of votes cast against dissolution was: 0

OR

The total number of votes cast for dissolution by each voting group was _____. This number was sufficient for approval.

Third: This dissolution was authorized by the Shareholders/Member(s) on: September 3, 2001

Fourth: The address of the Corporation's principal office or other address where service of process may be mailed:
9948 South City Lights Cir. South Jordan, Utah 84095

Street Address City State Zip

Under penalties of perjury, I declare that these Articles of Dissolution have been examined by me and are, to the best of my knowledge and belief, true, correct and complete.

By: [Signature] Title: President Dated: 2/26/02

FREE! You may visit our Web Site to access this document and other information.

Notary Public
Department of Commerce
Division of Corporations and Commercial Code
I hereby certified that the foregoing has been read
and approved on this _____ day of _____, 2002,
in the office of the Division and hereby issue
this Certificate thereof.

Notary Public Date: 2/27/02



[Signature]
Notary Public
Division Director

Mail In: S.M. Box 146705
Walk In: 160 East 300 South, Main Floor
Salt Lake City, UT 84114-6705
Corporation's Information Center: (801) 530-4849
Toll Free Number: (877) 526-3994 (Utah Residents)
Fax: (801) 530-6438
Web Site: <http://www.commerce.utah.gov>

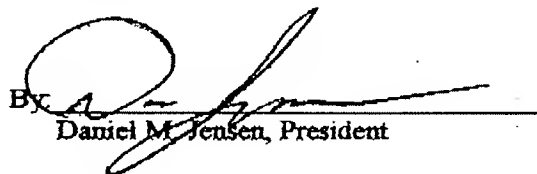
WAIVER, RECEIPT AND ACKNOWLEDGMENT

Reference is made to the Asset Purchase Agreement dated September 2, 2001 (the "Agreement") among Advanced Building Systems, Inc., a Nevada corporation ("ABS"), Air Crete Block, Inc., a Utah corporation ("Air Crete"), and certain of the principals of Air Crete.

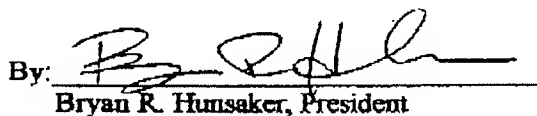
1. Air Crete hereby waives each of the conditions to Air Crete's obligations contained in Article VIII of the Agreement.
2. Air Crete hereby waives each of the performance requirements in Section 11.17 of the Agreement, and agrees that they shall no longer be in effect.
3. Air Crete hereby acknowledges each of the following:
 - (a) Air Crete has received stock certificate no. 1004, representing 2,200,000 shares (the "Shares") of common stock of ABS.
 - (b) ABS intends to raise funds by issuing shares of its common and/or preferred stock in one or more private placements in the future. The terms of such private placements have not been determined. ABS does not expect that any placement agents will be involved in any such private placements. ABS does not intend to issue any shares in a registered offering or to register for resale any of its outstanding shares.

Dated: February 25 2002

Air Crete Block, Inc.

By: 
Daniel M. Jensen, President

Advanced Building Systems Inc.

By: 
Bryan R. Hunsaker, President

Employment Agreement

September 30, 2001

THIS EMPLOYMENT AGREEMENT ("Agreement") is entered into by and between Advanced Building Systems, Inc., a Nevada corporation ("ABS") and Daniel Jensen ("Jensen").

It is hereby agreed that the following provisions may be adopted into a binding contract:

1. Salary for Jensen shall be no less than \$96,000.00 per year.
2. Jensen will be issued 50,000 shares each year that he is employed, continuously.
3. Jensen's employment may be terminated by ABS, however in the event of termination Jensen will be issued an additional 1,500,000 shares of common stock prior to ending his employment, and shall be given severance pay for one year equaling the amount of the previous years salary.
4. Jensen shall also be issued an additional 100,000 shares each time an additional ~~fully~~ ^{BA} operational ~~16~~ ^{BA} plant is constructed, during the first 5 years, while he is employed with the company.
5. Jensen shall also be paid a management bonus of \$300,000.00 from the proceeds of the first operating plant. This shall come from 40% of the monthly gross profit until paid.
6. Failure of ABS to execute any part of this contract will void any non-compete contract that may be in place between Jensen and ABS

Daniel M. Jensen

Date SEPT 30, 2001

Advanced Building System

By: [Signature]

Its: PRESIDENT